

A Short History of

**LABOUR  
CONDITIONS  
UNDER  
INDUSTRIAL  
CAPITALISM**

In Great Britain  
& the Empire  
1750-1944

**JÜRGEN KUCZYNSKI**

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As Professor Kuczynski states in his introduction, "the chief contention in this book is that labour conditions under industrial capitalism have deteriorated absolutely as well as relatively". This viewpoint was attacked from many quarters at the time of the book's original publication in 1944, but time has proved its validity.

All who belong to the masses of wage-earning and salaried workers, and all who study carefully the working and living conditions of these masses, are agreed that labour conditions are bad. They are not always bad for all sections of the working class; there are exceptions, and such exceptions may embrace considerable parts of the working class at one time or another. But whether we study Engels' writings of more than a hundred years ago, or those of Charles Booth and Seebohm Rowntree around the turn of the century, or those of John Orr in the 'forties—we find them all agreed that there is considerable

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misery amongst the toiling masses of this country. Such misery, however, is not only to be found in Great Britain and the Empire: it is to be found almost anywhere, at any time during the last two hundred years.

This new edition is a reprint of the second, two-volume edition of 1944, with a new foreword by Jack Lindsay. The two volumes, however, *Great Britain, 1750 to the Present Day* and *The British Empire, 1800 to the Present Day*, retain their separate identities.

A SHORT HISTORY OF  
LABOUR CONDITIONS  
UNDER INDUSTRIAL CAPITALISM  
IN GREAT BRITAIN  
AND THE EMPIRE  
1750-1944



TO  
THE MEMBERS OF THE ACADEMY OF SCIENCES OF THE  
U.S.S.R.  
WHO SET AN EXAMPLE TO THE SCIENTISTS OF ALL  
OTHER COUNTRIES BY THEIR DETERMINED FIGHT  
AGAINST REACTION AND BY THEIR DEVOTED SERVICE  
TO PROGRESS.

"In every civilization of the past, bar none, . . . (there) was  
always a lousy standard of living."

Milo Perkins, *Surplus Marketing Administrator,*  
*U.S. Department of Agriculture.*

A SHORT HISTORY OF  
LABOUR CONDITIONS  
UNDER INDUSTRIAL CAPITALISM  
IN GREAT BRITAIN  
AND THE EMPIRE

PART ONE  
GREAT BRITAIN  
1750-1944

PART TWO  
THE BRITISH EMPIRE  
1800-1944

*by*  
JÜRGEN KUCZYNSKI  
Ph.D., F.S.S.

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## FOREWORD

Jürgen Kuczynski achieved a high reputation in the 1930s as a statistician and economic theorist. He is able to use his statistics to give a basis of sharp precision to his general ideas, and to use his general ideas to bring the statistics to life.

This work is a *tour de force* in the handling of statistics. It covers nearly two hundred years, a long and complicated period which saw the development of industrial capitalism from a comparatively simple early phase to a greatly expanded phase of general world-crisis; and it is only because of the hard thought he has put into his theme that he can chart so secure and comprehensible a course, bringing out both the main graphs of movement and the local patterns of change and oscillation. One of the problems for his method is that an analysis of labour conditions in any system of production involves an ever-widening sphere of reference, of more and more areas that are affected and that need to be considered if the total situation and its varying inner tensions, balances, and unbalances, are to be grasped.

Kuczynski carries his analysis up to the outbreak of the Second World War. Since then there have been a large number of new factors at work, with a vastly increased set of interconnections in the world-situation; and we lack any scholars competent or courageous enough to attempt a unifying inquiry. But, in order to understand our own world, we need to know what it has grown out of, and Kuczynski's book is of great value in helping us towards that knowledge.

Jack Lindsay

PART ONE  
GREAT BRITAIN  
1750-1944

PART ONE  
GREAT BRITAIN  
1750-1944

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## PREFACE TO THE SECOND EDITION

IN 1942 I published *A Short History of Labour Conditions in Great Britain and the Empire*, and within less than one year the edition was sold out. The book bristles with statistics, contains an unusually large number of tables, and is by no means easy reading. Why, then, was the book in demand?

The reason no doubt is that the subject is arousing more and more interest, and that those who want to study it have few books from which to choose. Moreover, in the course of discussions with persons in many different walks of life, I have found that the book does at least possess the merit of raising problems that have been passed over in silence by most writers on labour conditions.

But I have found, too, that I made the mistake of regarding certain facts as well established and generally accepted. Many things that I should have done to explain in more detail were left with little explanation or none.

In these circumstances the most satisfactory course would perhaps have been to rewrite some parts of the book. But the delay in publication would have been considerable, and printing conditions in war time would have added further difficulties. So I have left the text practically unchanged, adding instead a new lengthy introduction.

This, however, has not been enough. For, while I was engaged in writing two further volumes of this *Short History of Labour Conditions* my attention was fixed upon certain interesting problems to which I had given inadequate consideration in my study of Britain and the British Empire. Then, again, during the last year or two, students of labour conditions have made considerable progress in the specific field of the worker's health. These several matters I have dealt with both in the new introduction and in additional chapters.

Finally, statistical information, although still deplorably scanty, has been increasing of late, so that it is now possible to give a

more detailed survey of the development of labour conditions during the present war. I have accordingly added a special chapter on the state of labour conditions since 1939.

Taking Great Britain alone into consideration, these additions have almost doubled the length of my original manuscript. The book, if printed in one volume, would now be too costly, its price putting it beyond the reach of most workers. This edition will therefore appear in two volumes, the first dealing with Great Britain, the second—which will come out shortly—with the Empire.

In conclusion I wish to express my thanks to my publisher, Mr. Frederick Muller, for his helpfulness during the whole course of our transactions. He it is who in these difficult times has made it possible for this *Short History of Labour Conditions* to appear. And in providing the paper for this second edition while new volumes are with the printer or in preparation, he has gone beyond that which any writer could hope for.

J. KUCZYNSKI

LONDON,

May 1st, 1944.



## INTRODUCTION TO THE SECOND EDITION

THE chief contention in this book is that labour conditions under industrial capitalism have deteriorated absolutely as well as relatively. In this introduction I shall endeavour to show how this has come about, to describe the various intricate processes by which the standard of living of the workers has—in spite of many contrary appearances—worsened, and to explain how under capitalism there can be only seeming exceptions to this general law.

There are many persons who will not accept the evidence for absolute deterioration nor the theory. For some of these objectors the mere fact that Marx has developed the theory is enough to make them reject it. Others—and it is surprising to find so learned a critic as Leonard Woolf among them—reject the evidence because it does not confirm hazy impressions and reminiscences of youthful days. At any rate, no better grounds are mentioned by Mr. Woolf when he says: "If one considers contemporary accounts of such conditions in autobiographies, biographies, historical and sociological works, or novels, the evidence, it seems to me, is of a marked improvement in general conditions of life. The evidence of one's own memory points in the same direction. It extends in my own case to fifty years of life in London and south coast villages. It seems to me incontestable that the standard of living of the London worker and of the Sussex agricultural labourer, bad though it is to-day, is considerably better than it was in 1893."\*

And if we turn to the working class we find many sincere students of social conditions who, although profoundly dissatisfied with the existing state of affairs, and firm in the conviction that economic injustice and waste are inseparably connected with the capitalist system, yet believe that they are better off than their parents and grand-parents. As one worker asked, after having read my volume on the United States: "But isn't a worker with a Ford better off than one without a Ford?"

\* *The New Statesman and Nation*, January 23, 1943.

It is in an endeavour to help to clear away such confusions of mind and doubts that I shall now try to give a brief explanation of the theory of absolute deterioration as developed by Marx and to answer in some detail the question, whether a worker with a Ford is not better off than a worker without one.

### 1. THE THEORY OF ABSOLUTE DETERIORATION

The rejection of the theory of absolute deterioration is something fairly new. In the early years of capitalism it was regarded as natural or as ordained by God that the poor should be poor, and even that with the growth of wealth the poor should grow in number and their misery increase. Ortes, one of the finest and most clearly thinking clerical economists in the eighteenth century, builds his explanation for the need of Christian virtues largely upon the fact that so much misery does and must exist in this world. The Rev. J. Townsend speaks of hunger as "not only a peaceable, silent, unremitted pressure, but as the most natural motive to industry and labour, it calls forth the most powerful exertions." And from this he concludes that the continued existence of hungry people is a blessing to mankind. "It seems to be a law of nature that the poor should be to a certain degree improvident" (Marx remarks when quoting this: "so improvident as to be born without a silver spoon in the mouth") "that there may always be some to fulfil the most servile, the most sordid, and the most ignoble offices in the community."\*

Destutt de Tracy refines this theory further by showing that Townsend's "law of nature" not only makes the poor improvident, but makes the people who are improvident enough to live in capitalist countries poor: "In poor nations the people are comfortable; it is the rich nations where they are generally poor."† The theory of the dynamic growth of poverty, regarding misery not as a static gift of nature or God, but as a fine product of society is well expressed by Storch‡: "The progress of social wealth begets this useful class of society . . . which performs the

\* Quoted in *Capital*, vol. i, chap. 25. The pamphlet by Townsend is called *A Dissertation on the Poor Laws*, and Townsend uses the *nom de plume* "A Well-Wisher of Mankind."

† *Traité de la Volonté et de ses Effets*, Paris, 1826, p. 231.

‡ *Cours de l'Economie Politique*, St. Petersburg, 1815, vol. iii, p. 223.

most wearisome, the vilest, the most disgusting functions, which takes, in a word, on its shoulders all that is disagreeable and servile in life, and procures thus for other classes leisure, serenity of mind and conventional\* dignity of character."

While these men do not deny the extent of misery and openly declare that it grows with the increase of wealth†, the first indications of a certain uneasiness make their appearance almost at the same time. They are expressed in statements which imply that the poverty is not only natural but really also a source of pleasure. I have quoted in the text of this volume‡ comments by Archdeacon Paley on the almost orgiastic pleasure experienced by the poor man when he succeeds in making both ends meet—a pleasure denied to the rich man who has so much money that he cannot taste the sweetness of "ends just meeting." It is interesting to note that recently a similar line has been taken up by ultra-reactionaries in this country who want to preserve for the poor the pleasure of free competition for jobs under conditions of unemployment and the happiness derived through actually succeeding for some time to keep a job. But it must be conceded that the finest expression of this spirit comes from the pen of an American business man:§

"Only those permitted to labour industriously and who know how to abound in honest poverty can be free, contented and secure. Poverty is a bulwark of liberty, a guarantee of tranquillity of spirit and a safeguard from danger."

But with the growth of a labour bureaucracy, with the spread of opportunism in the labour movement, with the emergence of a "social conscience" in the bourgeoisie combined with a fear of changes in society, the notion that there must always be poor people, and that their conditions must not improve if national wealth is to grow, has become less widespread, less "popular." The old dicta on capitalist society have been exchanged for new ones which promise labour a better future—an improvement

\* "*C'est bon!*" exclaimed Marx when quoting him. *Capital*, vol. i, chap. 25.

† Just as the great state theorists from Bodin to Rousseau, Adam Smith and Kant never denied that one of the chief tasks of the state was the protection of private property.

‡ See pp. 49–50.

§ H. Drane, *The Dallas Morning News*, quoted in *New Republic*, June 7, 1943.

guaranteed by the alleged improvement which has taken place in the past. And this denial of the theory of absolute deterioration and of the evidence in its favour has steadily increased in vigour as labour has gradually come to realize the true connection between poverty and capitalism.

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There is one decisive difference between the early, naïve theories of absolute deterioration and the theory as developed by Marx: Marx shows how the capitalist system creates—and proves that it must create—conditions under which the lot of the worker deteriorates. I am going to try to explain in a few words the fundamental principles of this theory while leaving a more detailed description to the last volume of this *Short History of Labour Conditions*. There I shall deal with the general laws of the development and the methodology of studying labour conditions.

The Marxist theory of absolute deterioration states two things: firstly, that under capitalism the size of the proletariat tends to increase, and secondly, that the working and living conditions of the proletariat tend to deteriorate. The growth of misery, therefore, is a twofold one: the number of people affected is increasing, and the degree of misery is growing.

Nobody denies even to-day when so many fundamental truths are being denied that with the growth of capitalism the size of the proletariat tends to increase. The growth of industry, the absorption of an increasing part of the population in capitalist production through the growth of the factory system, the relative decline of the number of people with a small business of their own are facts upon which there is no disagreement. "Accumulation of capital is, therefore, increase of the proletariat," says Marx.\*

But why, though the size of the proletariat is increasing, is their misery increasing too? The first reason, of course, is that the employers tend to pay the workers as little as possible in order to increase their profits as much as possible. As Marx says, commenting upon the statement by John Stuart Mill that "if labour could be had without purchase, wages might be dispensed with,"†

\* *Capital*, vol. i, chap. 25.

† *Essays on Some Unsettled Questions of Political Economy*, London, 1849, p. 90.

"But if the labourers could live on air they could not be bought at any price. The zero of their cost is therefore a limit in a mathematical sense, always beyond reach, although we can always approximate more and more nearly to it. The constant tendency of capital is to force the cost of labour back towards this zero."\*

While there is general agreement on the fact that the size of the proletariat tends to increase, there are already a number of people who would deny that the capitalists have the tendency to pay as little as possible. However, their number is not very great, especially in the labour movement, and probably one can say that, generally speaking, there is at least some sort of agreement on these points.

The question now arises: Why, under capitalism, are the employers able to get the better of labour, even when labour is organized? Many persons who are prepared to admit that employers like to reduce wages to the lowest possible figure, stoutly maintain that Labour is strong enough to prevent Capital from having its way.† Marx explains this inherent weakness of Labour's position as follows:

"Simultaneously with the progress of accumulation there takes place a progressive change in the composition of capital. That part of the aggregate capital which consists of fixed capital, machinery, raw materials, means of production in all possible forms, progressively increases as compared with the other part of capital, which is laid out in wages or in the purchase of labour. . . . In the progress of industry the demand for labour keeps, therefore, no pace with the accumulation of capital. It will still increase, but increase in a constantly diminishing ratio as compared with the increase of capital."‡

That means, there is a tendency for productivity per worker to increase more quickly than production. In this case workers are thrown out of work and what Marx calls "an industrial reserve army" is created.

Now both tendencies, the tendency for capital to grow quickly

\* L.C. chap. 24.

† See, for instance, also an otherwise as staunch a defender of Marx against bourgeois economist theories as Paul M. Sweezy, *The Theory of Capitalist Development*, p. 19.

‡ *Value, Price and Profit*, last chapter.

and to attract an ever greater number of workers, and the tendency for the composition of capital to change so as to release labour, to make it superfluous, to create an army of unemployed, are to be observed working side by side. A technical improvement, the introduction of machines into a new field of production, at first throws workers on the street, productivity increases faster than production, an army of unemployed is created. After a while the demand for the new and cheaper product rises rapidly, production increases more than productivity per worker has increased, and there is renewed demand for labour; the number of workers employed in this industry or branch of industry rises.\* Marx has shown in Chapter XXV of Volume I of *Capital* the various modifications which this process undergoes under varying conditions, how some factors intensify it while others tend to slow it down. But whatever the particular conditions, capital not only tends to create, but actually does create, a reserve army which on the one hand enables it suddenly to expand production, and on the other hand, decisively weakens labour's fighting strength. The existence of a pool of unemployed makes the economic struggle a very unequal one. The workers cannot, as did the bourgeoisie or the feudal ruling class, gain economic power and establish a mode of production of their own (socialism) as a step towards gaining political power. As Marx says:†

"The law, finally, that always equilibrates the relative surplus-population, or industrial reserve army, to the extent and energy

\* Marx describes the often simultaneous realization of these tendencies in chap. 25, vol. i: "Considering the social capital in its totality, the movement of its accumulation now causes periodical changes, affecting it more or less as a whole, now distributes its various phases simultaneously over the different spheres of production. In some spheres a change in the composition of capital occurs without increase of its absolute magnitude, as a consequence of simple centralization; in others the absolute growth of capital is connected with absolute diminution of its variable constituent or of the labour power absorbed by it; in others again, capital continues growing for a time on its given technical basis, and attracts additional labour-power in proportion to its increase, while at other times it undergoes organic change, and lessens its variable constituent; in all spheres, the increase of the variable part of capital, and therefore of the number of labourers employed by it, is always connected with violent fluctuations and transitory production of surplus-population, whether this takes the more striking form of the repulsion of labourers already employed, or the less evident but not less real form of the more difficult absorption of the additional labouring population through the usual channels."

† *Capital*, vol. i, chap. 25.

of accumulation, this law rivets the labourer to capital more firmly than the wedges of Vulcan did Prometheus to the rock. It establishes an accumulation of misery, corresponding with accumulation of capital. Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole, i.e., on the side of the class that produces its own product in the form of capital." And: "It follows, therefore, that in proportion as capital accumulates, the lot of the labourer, be his payment high or low, must grow worse."

"In proportion as capital accumulates, the lot of the labourer must grow worse"—that is the law of the absolute deterioration of labour conditions—for in the proportion as capital accumulates the industrial reserve army grows and labour gets weaker in its bargaining position, and the growth of labour organizations while preparing the way for political victory can only impede but not stop the decline of the economic strength of labour.

Marx leaves not the slightest doubt about this inherent weakness of labour within the framework of the capitalist system. He says, for instance, in *Value, Price and Profit*, last chapter: ". . . the working class ought not to exaggerate to themselves the ultimate working of these everyday struggles. They ought not to forget that they are fighting with effects; that they are retarding the downward movement, but not changing its direction; that they are applying palliatives, not curing the malady. They ought, therefore, not to be exclusively absorbed in these unavoidable guerrilla fights incessantly springing up from the never-ceasing encroachments of capital or changes of the market."

The theory of the absolute deterioration of labour was probably the first fundamental theory worked out by Marx. Early in his study of economics he concentrated on this phenomenon of capitalist society and worked out its implications. I have quoted extensively from *Capital*, published in 1867, and from *Value, Price and Profit* written in 1865. I will conclude my brief exposition of his theory with a quotation from the economic-philosophical manuscripts he wrote in 1844, at the age of twenty-six, almost a quarter of a century before the publication of the first volume of *Capital*:

"The worker becomes the poorer, the more wealth he pro-

duces, the more his production increases in power and size. The worker becomes an ever cheaper commodity the more commodities he produces. The more valuable use is made of the world of objects, the greater the devaluation of the world of the human being."\*

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## 2. SOME PRACTICAL QUESTIONS AND ANSWERS REGARDING THE PRESENT STATE OF LABOUR

The deterioration of labour conditions, although certain, is not a simple process the evidence for which is easily to be picked out from the continually changing aspects of our social life. It cannot be substantiated by any series of clearly-cut statements of fact regarding any one of the elements forming the whole pattern of the workers' life. For instance, it cannot be truly stated that real wages are continuously declining. Nor that the working day is constantly lengthening. Nor that the intensity of work is unbrokenly increasing. Nor that the health of the workers continues year by year to grow worse. Nor that accidents are everywhere and in all recent years more numerous than they were fifty years ago, and still more numerous than they were a hundred years ago. The matter is not as simple as that. It cannot even be maintained that the conditions of any special group of workers—miners or carpenters, weavers or agricultural labourers—are deteriorating steadily, year by year. Nor can this be said of the conditions of the whole working class in any one country. Nay, it may even be found that the conditions of the workers in some one country have improved somewhat over a particular trade-cycle—perhaps even over two. But what cannot be asserted is that under the capitalist system the conditions of all workers employed by one country's capital have improved from one trade-cycle to another. That is, it may happen that, for a short time, labour conditions, e.g. in the United States improve—but one

\* *Gesamtausgabe, Erste Abteilung*, vol. iii. The original German reads as follows: "Der Arbeiter wird umso ärmer, je mehr Reichtum er produziert, je mehr seine Produktion an Macht und Umfang zunimmt. Der Arbeiter wird eine umso wohlfeilere Ware, je mehr Waren er schafft. Mit der Verwertung der Sachwelt nimmt die Entwertung der Menschenwelt in direktem Verhältnis zu."



will find then, that conditions of people exploited and plundered by American capitalism in other countries deteriorate rapidly and that conditions of all people under the domination of American capital, inside and outside the U.S.A., continue to deteriorate.

It is because the deterioration of the conditions of the workers takes place in such varied ways that it requires such careful study. It takes place in ways that vary with the varied history of capitalism in the different countries of the world. To give a comprehensive picture of it is almost impossible, if only for the reason that the study of this subject has been neglected for more than half a century, and that consequently the necessary data are often not to be found. And, finally, of course, the deterioration of labour conditions is camouflaged to an enormous degree by any advance in our complex civilization. The worker enjoys certain real as well as seeming improvements in his surroundings. So that the task of making a true evaluation of all these changes in terms of real amelioration or deterioration in his lot becomes exceedingly complex.

Those who want to believe that, although conditions are not all they ought to be, they are improving on the whole, rest with complacency upon the complexity of the subject. They do not welcome an attempt to disentangle the truth from the deceptive appearances that hide it. In his already mentioned review of this volume Leonard Woolf writes:

"Mr. Kuczynski shows his lack of scientific objectivity in two ways. The first\* is accumulative; whatever the betting, the ball always falls into the red hole. If money wages show an increase, real wages, which have to be based upon a considerable amount of calculation and often approximate or weighted figures†, almost always cancel this out and show a decrease. If real wages persist in showing an increase, Mr. Kuczynski will show that they

\* Mr. Woolf's second argument I have already mentioned; it is that I do not rely on the memory either of Mr. Woolf or others about the improvements of conditions but rather prefer statistical evidence—not so surprising in a statistical study which uses other evidence only when the statistical evidence is either not available or not adequate.

† This, although Mr. Woolf does not realize it, is a stab at those highly respectable bourgeois statisticians, whose cost of living computations I have used. One of them being in the employ of one of the leading Wall Street journals; it is improbable that they computed cost of living figures favouring the theory of absolute deterioration.

really deteriorated owing to increased intensity of work.\* If the death rate of children under ten years declines, the statistics, he maintains, tell us nothing about the state of health of these children,† and are therefore no evidence of improvement in conditions of life; but an increase in the death rate does tell us something about the children's health and is evidence of deterioration of conditions, because 'it is extremely improbable that the state of health improves while the death rate increases.' "

This criticism of Mr. Woolf's indicates that I have not failed entirely in indicating the various ways in which labour conditions can and do deteriorate, nor in showing how—and that is the decisive point—"the ball always falls into the red hole."

But it does not always fall for all workers into "the red hole." There is no doubt that for some groups of workers labour conditions have improved over a lengthy period—to mention the most important one: the labour aristocracy. There are some groups of workers who live under capitalist working conditions and yet are well off—for instance, the small number of highly skilled diamond cutters. Almost all workers are better off in years of increasing trade activity than in periods of depression and crisis. A change in the distribution of industry over a country may bring a definite improvement on a local scale—for instance for day labourers in a predominantly agricultural district which becomes an armament centre. The whole working class of a country may benefit temporarily—even from one trade cycle to another—if the capitalists of this country are able at the same time to increase their profits from special exploitation of newly acquired countries or spheres of interest. It is possible, for instance, that the workers in the United States were better off from 1915 to 1929 than during the preceding fifteen years because of the special exploitation facilities the American capitalists had in other American and Allied countries during the war—and in Europe and other American countries after the war. But all these are no arguments against the fact that the conditions of the workers employed by the capitalists of a given country have been and are, on the whole, deteriorating.

\* I do, of course, not show that real wages have "really deteriorated," but explain that increased intensity of work requires increased intake of food and increased rest.

† See on this point p. 23 of this introduction.

And now to come to the question whether a worker with a Ford is not better off than one without a Ford. It is only a partial answer to point out that sometimes the Ford eats more and better than the worker who owns it. That is to say that a worker with a Ford has to forego sufficient food in order to be able to keep a car and thus travel to and from his place of work which cannot be reached by bus, tram or other public vehicle.

Engels, too, has come across such a question. In his study on *The Housing Question*, Part I, he writes:

"The English proletariat of 1872 is on an infinitely higher level than the rural weaver of 1772 with his 'hearth and home.' Will the troglodyte with his cave, the Australian aborigine with his clay hut, and the Indian with his hearth ever accomplish a June insurrection and a Paris Commune?"

How, then can Engels speak of an absolute deterioration of the conditions of the workers if he maintains that the level to-day is a higher one than that of a hundred years ago, and incomparably higher than that of the cave-dwellers? He can not only do this, but he does so, and in the very next sentence:

"That the situation of the workers has in general become materially worse since the introduction of capitalist production on a large scale is doubted only by the bourgeoisie.\* But should we, therefore, look backward longingly to the (likewise very meagre) flesh-pots of Egypt, to rural small-scale industry, which produced only servile souls, or to 'the savages?' On the contrary."

Well, in what, then, does the deterioration of the conditions of the worker consist? In what respects is a British worker of to-day worse off than his forefathers at the beginning of the industrial revolution? When he sits down to his meal to-day his more civilized surroundings usually give him the appearance of enjoying a higher standard of life than was theirs of the eighteenth century. His room will very likely be lighted by electricity, his crockery will be less rough and crude, his chair will at any rate look more comfortable, his kitchen utensils may in some respects be more convenient. He may be able to listen to the wireless

\* This is the only statement by Marx or Engels on the theory of absolute deterioration which Leonard Woolf has proved to be wrong (though unfortunately he is not even original in this and by no means the first member of the Labour Party to doubt the validity of the theory of absolute deterioration!)

during his meal; a newspaper may be at his elbow (in 1750 even a weekly paper was an unheard-of luxury).

All this, unfortunately, although not without importance, is negligible compared with another point. And upon this vital point it is possible to speak both accurately and emphatically. The following table needs to be studied with care for it is truly eloquent.

#### THE DIET OF A WORKER\*

<i>Nutrient</i>			<i>Diet of English Labourer Eighteenth Century</i>	<i>Diet of over 15 Million People in 1935</i>	<i>Modern Estimate of Requirements</i>
Calcium (grms.)	..	..	1.2	0.5	1.0
Iron (mgrms.)	..	..	23	9.6	15
Vitamin A (International Units)	..	..	6,600	1,220	5,000
Vitamin B <sub>1</sub> (International Units)	..	..	1,300	350	500-700
Vitamin C (mgrms.)	..	..	110	55	75

It is hardly necessary to point out that of all man's needs nutrition comes first. What a man eats largely determines whether it is possible for him to be healthy in body and mind. And it is an indisputable fact that the British worker to-day, although enjoying a higher cultural standard, and occupying a rather more comfortable (although not necessarily healthier) home, actually lives on a lower nutritional level than did his forefathers of two hundred years ago.

But does that mean that we want to go back to the eighteenth century with its relatively primitive standards of living? or even further back to the cave-dweller whose diet from a nutritional point of view may perhaps have been even better than that of the English worker in the eighteenth century? Of course not! But we are against going back to the eighteenth century not because we are against sufficient nutrition. We do not want to go back because we want to go forward to a life where the higher cultural standard of to-day is combined with food as sufficiently nourishing as that of the past, and even better.

\* Quoted from Sir John Boyd Orr, *Food and the People*, London, 1943, p. 15. The figures for the eighteenth century were computed by Professor Drummond; the figures for 1935 refer to families spending less than 9s. per head per week on food; Orr says that they are more than one-third of the population. The modern estimate of requirements is given by Orr in the same book.

A similar surprise as the above table on nutrition is in store for those who study health conditions. It is well-known that the death rate has declined considerably during this period. The expectation of life of an English labourer in the eighteenth century was about 30 years. In 1935 it was about double that figure. This improvement is due partly to better sanitary conditions, and partly to a more widespread use of medical science. But does this mean that the health of the worker is better to-day than two hundred years ago? Does this mean that the worker is healthier while he is alive than he was two hundred years ago? No such assumption can be made. While in a period of progressing medical science and the increasing application of its results we may assume that an increase in the death rate means a deterioration in health conditions, we are not justified in assuming that every decline of the death rate means an improvement of health. Let us listen to Sir John Orr on this subject:\* "As a result of this deterioration in the nutritional value of the diet of the working classes, the physique of the people deteriorated. . . . The average stature fell. . . . This deterioration in the nutritional state and physique of the people was masked by the reduction in the death-rate which followed the elimination of epidemic and endemic diseases, such as cholera, enteric and typhus fever, through the application of modern sanitary principles." Again we ask: do we want to return to the life of one hundred and two hundred years ago when epidemics were rampant, sanitary conditions on a very low level, when medical science had progressed far less than to-day, but when the people—as far as they survived—were of better physique and health? Of course not! But there is just as little doubt that we not only want the better state of health and physique of two hundred years ago but want a still healthier and stronger people, able to enjoy the cultural progress made during the last two centuries, and the greater progress yet in store for them.

These facts alone justify us in stating that there has been a deterioration of labour conditions. For if the worker is worse fed, if his state of health is inferior, then his energies are less and

\* Quoted from Sir John Boyd Orr, *Food and the People*, London, 1943, p. 15.

more easily exhausted; and thus his standard of living has declined. It does not mean, however, that his cultural standard, his moral standard, as Marx once called it, has declined.

Clearly we have to distinguish between the primitive necessities of life such as food, adequate clothing and warmth in winter, and other factors which contribute to a man's well-being without being in themselves necessities. And in this connection one further explanation must be made. It is no part of the theory of absolute deterioration that under capitalism all necessities of life become scarcer for all groups of workers all the time. It may well happen that for some workers during some periods there will be a rise in the standard of living in many respects. It may well happen also that there is an absolute improvement in respect of some necessities for all workers over a long period. But this improvement will always be found to be more than counterbalanced by some deterioration elsewhere. Or, perhaps the rise will show itself upon closer examination to be deceptive. For instance, there is no doubt that sleep is one of the absolute necessities of life. And there is equally little doubt that the worker can sleep to-day longer than one hundred years ago because his working day is shorter. But it must be remembered that the amount of sleep a man requires varies with his output of energy during the day. Increased intensity of work makes it necessary for him to have a longer period for rest and recuperation. Thus, it may well be that a man enjoying to-day 20 per cent more sleep than his great grandfather of one hundred years ago is nevertheless in a worse case. And the same may be true of an improved diet, the need for which must be measured not in absolute terms but in requirements of an increasingly exhausted body. Similarly, an improved standard of housing may be paid for at the expense of a lowered standard of feeding or vice versa.\*

I have said enough, I hope, to show that the study of standards of living is a very complex one. The reader of this volume and of the others in the series will find numerous illustrations of the fact that deterioration takes place not only with considerable variations in time, place and group affected, but also with considerable variations in the kind and method of deterioration. But whatever the country's particular process of development

\* See this volume, p. 108.

may have been, the fundamental law of absolute deterioration of labour conditions under capitalism is always exemplified.

### 3. THE THEORY OF THE RELATIVE DETERIORATION OF LABOUR CONDITIONS

The theory of the relative deterioration of labour conditions has also been developed by Marx. In one of his earliest studies of labour problems, *Wage-Labour and Capital*, he gives considerable weight to the problem of relative wages, that is wages expressing the relative position of the worker's standard of living as compared with that of the capitalist's. At the end of Chapter VI of this study he writes: "Wages are determined above all by their relation to the gain, the profit, of the capitalist. In other words, wages are a proportionate, relative quantity." And again: "Real wages express the price of labour power in relation to the price of other commodities; relative wages, on the other hand, express the share of immediate labour in the value newly created by it, in relation to the share of it which falls to accumulated labour, to capital."

Why do labour conditions deteriorate relatively? Why does a declining share of the national product go to labour? Or, in other words why does the individual worker get a constantly declining and the capitalist a constantly increasing share in the national product? There are various ways of explaining this, the simplest being a corollary of the theory of absolute deterioration. If national wealth increases, if the worker's position become absolutely worse, and if through increased accumulation of capital in the hands of the individual capitalists the position of the individual capitalist improves absolutely, then it is obvious that the condition of the worker must deteriorate in relation to that of the capitalist.

Not until the beginning of the twentieth century were there many men who disputed the fact that the relative position of the worker was deteriorating. But with the spread of a social conscience in the bourgeoisie as a whole\* in the last few decades,

\* I do not mean the courageous and honourable activities of progressive men in the bourgeoisie since over one hundred years, nor do I mean the sincere sympathy shown for the poor by humanitarians, but the "social conscience" as a political and sociological conception.

it has become customary to deny that the abyss between the rich and the poor has grown. Complaints about death duties are mingled with attempts to prove that wealth is being more equally distributed among the people; and the hysterical outcry against the "process of socialisation" which is alleged to be well under way, is mixed with propaganda asserting that if the distribution of wealth is no longer equitable this is due to the fact that the rich have to give away too much.

I have worked out some figures on the development of relative wages in Britain and the United States, and these clearly show the extent of the relative deterioration of labour conditions, the extent of the extraordinary decline of relative wages.\* But I want to give here some additional data which are of particular interest because they throw light on one aspect of the conditions of the rich and the poor which is studied much too little: their relative death rate. It is true that the death rate among children of all classes has decreased greatly during the present century, and this is not the place to analyse in detail the causes of this improvement. But it is especially interesting to investigate an aspect of relative labour conditions where an absolute improvement is registered. The following figures are taken from the masterly investigations by Dr. Titmuss into birth, poverty and wealth.†

#### INFANT MORTALITY BY CLASS OF FATHER

(100 Average Rate for All Classes)

Class .. .. .	1911	1930-32
Middle and Upper Classes ..	61	53
Low-paid Workers .. ..	122	125

While the death rate itself has declined for all classes, the difference between the mortality among the children of the rich and among the children of the poor has grown considerably. But this is only the beginning of the study by Dr. Titmuss. He proceeds to investigate the causes of the deaths. Children of course die partly for reasons not directly, or not at all, connected with the social status of their parents, especially so in the first days and weeks after birth. Dr. Titmuss has, therefore, made

\* See p. 119 of this book, and p. 172, vol. ii.

† *Birth, Poverty and Wealth*, London, 1943.



a special investigation into the mortality of children by age and cause of death. The next table, however, does not take yet directly into account the various causes for death and refers only to the death rate by age groups:

PERCENTAGE EXCESS OF INFANT MORTALITY OF THE CHILDREN OF THE LOW-PAID WORKERS OVER THOSE OF THE MIDDLE AND UPPER CLASSES, 1911 TO 1932

<i>Age of Children</i>		<i>1911</i>	<i>1921-23</i>	<i>1930-32</i>
0 to 1 month	.. ..	106	58	66
1 to 3 months	.. ..	180	263	239
3 to 6 months	.. ..	253	312	330
6 to 12 months	.. ..	299	324	498

This table shows that with increasing age, that is with an increasing share of environmental diseases as the cause of death, the excess of mortality among the poor over that of the rich rises, and that in the older age groups the excess was relatively higher in 1921-1923 than in 1911, and relatively higher again in 1930-1932 than in 1921-23.

While it is impossible to get at equally reliable figures linking age with the kind of disease which caused death for the three periods, it is possible to make some investigation for 1930-1932, and to connect these figures with some data available for 1921-1923. The result of this investigation is expressed as follows:\*

"When we turn to the group of environmental diseases, death rooted in bad housing, nutritional deficiencies, defective clothing, ignorance, inadequate medical care and a host of attendant evils, then we see in full measure the gulf that divides one social class from another; the privileged from the under-privileged. What is no less striking than the extent of the difference is the fact that the gap increased after 1921-1923 and, for all we know, may still be growing."

This is a remarkable sidelight on the problem of the relative deterioration of the position of the worker. In a small but highly important and sorely neglected field of social statistics the relative deterioration of the position of the worker finds a striking expression. It is true that these figures do not prove that there is an all-round relative deterioration—for there might theoretically be other and on the whole more important aspects of the situation

\* *Birth, Poverty and Wealth*, London, 1943, p. 51.

showing a contrary tendency—but these figures, if taken together with more general data given later in this book, are a useful and impressive rejoinder to all those who have not only no “belief” in the theory and history of the absolute deterioration of labour conditions, but do their best to persuade the people that the rich are getting poorer and the poor are getting richer—until in the very near future the rich have become poor and the poor rich, and we must start again at the beginning.

I would like to end these remarks on the relative deterioration of labour conditions by saying that while it would be wrong to concentrate on the study of its theory and practice, that while the problems of absolute deterioration are infinitely more important—that ought to be no reason to continue to neglect it, especially as far as its statistical measurement is concerned. Dr. Titmuss has done magnificent work in his special field,\* but there are so many other aspects in the life of the worker which ought to be scrutinized from this point of view that an enormous task remains to be done.

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These few remarks have given but a partial description of the theories of absolute and relative deterioration, and they have been even less adequate as an indication of the implications of the two theories. I shall deal with these matters more fully in the last volume of this series. But I hope that they will suffice as a first introduction to the theory and as a useful start for the perusal of the following history, which is a history of “the practical working out” of these theories.

\* Cf. on this specific subject also the valuable study by G. H. Daniel, “Social and Economic Conditions and the Incidence of Rheumatic Heart Disease,” *Journal of the Royal Statistical Society*, Part III, 1942, and the most recent study by J. N. Morris and R. M. Titmuss on “Recent History of Rheumatic Heart Disease,” *The Medical Officer*, 1944.

## PREFACE AND INTRODUCTION

ALL who belong to the masses of wage-earning and salaried workers, and all who study carefully the working and living conditions of these masses are agreed that labour conditions are bad. They are not always bad for all sections of the working class; there are exceptions, and such exceptions may embrace considerable parts of the working class at one time or another. But whether we study Engels' writings a hundred years ago, or those of Charles Booth and Seebohm Rowntree at the end of the last and the beginning of the present century, or those of Sir John Orr to-day—we find them all agreed that there is much misery among the toiling masses of this country. Such misery, however, is not only to be found in Great Britain and the Empire. It is to be found almost everywhere, at any time during the last one hundred and fifty years.

Among those who have studied the problem of labour conditions, and also among those who have suffered from hunger and misery and oppression, there have been two groups, each with a different programme of change. The one group believes in slow reform within the capitalist system; they are called and often call themselves reformers or reformists. The other believes that only a radical change of society and relations within society, only the abolition of the system of capitalism, in fact, can bring about a change in the conditions of labour; they are called and call themselves socialists.

The reformers and reformists are not blind believers in sudden progress under capitalism. They are not mystics. They base their belief on the lesson of history as they interpret it. They are of the opinion that labour conditions in general and the standard of living of the working class have improved under capitalism and that they will continue to do so under sufficient pressure from the trade unions and the political parties—operating within the framework of the capitalist system.

The socialists, too, refer to history. In addition they have

worked out a theoretical system, scientific socialism, which, they believe, gives not only a theoretical basis for and an explanation of the past experience of history but which also proves that future experience under capitalism will inevitably be the same as that of the past. An improvement in the standard of living of the working class will not be possible within the capitalist system; it will be possible only after the abolition of the capitalist system and its replacement by socialism.

Both groups have produced a great many studies of labour conditions—the most famous ones have been written by socialists. These studies deal with separate phases or separate aspects of the history of labour conditions under industrial capitalism.

In the present volume I try to give a connected history of labour conditions, and of the standard of living of the workers in Great Britain and in the Empire\* since the beginning of "industrial capitalism," that is since the introduction of the factory system up to the present day. It is the first volume of a short but comprehensive history of world labour conditions under industrial capitalism. The second volume will deal with labour conditions in the United States, the third with Germany, the fourth with France, and so on. I hope to be able to round off this history with a seventh volume dealing with theoretical and methodological problems.†

In this book, then, I have tried to gather together the most important evidence at our disposal. (statistical in character and chiefly that published under official auspices) concerning the development of labour conditions and of the standard of living of the working class. Furthermore, I have tried not only to assemble all the relevant facts: after they have been put together I have tried to evaluate their importance, and to arrive at conclusions as to the actual course of development. In other words, I have attempted to come to conclusions as to whether labour conditions and the standard of living of the working class have improved or deteriorated; if so why; and whether they

\* Eire, which has shown so much independence politically and economically, has been left out of consideration—but, of course, not Ireland under British rule.

† I have dealt briefly with such problems in my *Labour Conditions in Western Europe 1820 to 1935*.

have changed for the working class as a whole or only for parts of it.

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It is important, before proceeding further, to give an explanation of what is understood in this and in the following volumes by "labour conditions" and "standard of living" of the working class.

Some people may say: this is an extremely simple problem. If, for instance, the workers can buy more and better food and clothing, or can rent better furnished rooms (electricity instead of gas, etc.) because of increased purchasing power, then obviously the standard of living has improved. And since not a single person who understands anything of this subject can deny that the purchasing power of the workers has increased during the last hundred and fifty years, this book is superfluous if it seeks merely to investigate whether the standard of living of the workers has improved or not, since, let us say, 1790. Only those books which deal with the problem of the extent to which the standard of living has improved deal with a really worthwhile problem in this view.

This is a clear-cut and simple point of view, the validity of which, however, can easily be shaken by a single question. Some time ago the British Press printed the news that the German miners in the Ruhr-territory get vitamin tablets, a measure which undoubtedly improves their standard of nutrition. But does this mean that the German miners' standard of living has really improved? No—it simply means that the German miners are better nourished in order to enable them to stand the constantly increased pace of production. Better nourishment does not, necessarily, mean better working and living conditions.

Thus, we see clearly that those who base their evaluation of conditions, and measure the increase in the standard of living solely by the increase of real wages, that is of the purchasing power of the workers, receive and give a wrong picture of what actually happens to the worker, to his standard of living and to labour conditions.

It will be one of the tasks of this study to present the whole of labour conditions, the whole of the factors affecting the standard of living, and to strike a balance between the various factors

tending to improve and to deteriorate this standard, to strike a balance, for instance, between increased real wages and shortened hours of work on the one hand and increased intensity of work on the other, between increased security through a system of social legislation and greater insecurity through increased and more widespread unemployment, between better safety legislation and the installation of accident preventing devices on the one hand and greater speed-up and greater fatigue tending to increase the rate of accidents on the other.

Apart from these elements in the standard of living of the people there is another which Marx calls the moral element, which is an expression of the general progress of society and methods of production. A better knowledge of medicine and the fear of epidemics has led to an improvement in general sanitary conditions. The complicated technique of industrial production, the introduction of machinery requiring skill and knowledge from the workers, has led to the introduction of a general system of education. Here, we undoubtedly have a certain progress; the moral element in the standard of living, that element connected with the general progress of society has certainly grown. But here again various questions of importance arise. Has the worker unrestricted facilities to learn and study all he wants? Or is he allowed to learn only what the progress of industrial technique requires him to learn? Is the worker free to study even though he is economically unfree? Improved sanitary conditions have undoubtedly much contributed to lower the death rate. But is he free to enjoy his prolonged life? Is the worker free to enjoy his prolonged life when he has to work for his living under conditions which are not interrelated with the progress medicine has made? While the moral element in his standard of living has grown in importance, has it grown only as much as is needed in order to make the worker work more or to make him a lesser danger (in the event of epidemics) to those for whom he has to work?

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The reader of the first volume will realize at once that a seven-volume history of labour conditions under industrial capitalism is inadequate. There is no doubt that a detailed history of labour

conditions in Britain and in the British Empire, for instance, cannot be written in a volume less than four times the size of this book, without failing to deal with a considerable number of important problems. On the other hand, a world history of labour conditions is urgently needed, and I cannot see much hope of one being written and completed in the near future if a start were made with a long and detailed survey of Britain and the British Empire.

Limitations of scope and of space have had serious consequences for the presentation of this material: Some problems are dealt with only fleetingly because other studies dealing with them are available. This applies particularly to the history of the trade union and political labour movement. In Britain, in France, in Germany, and in the United States a number of books have been published dealing with the history of the labour movement in these countries. True, the subject has not been dealt with adequately for any of these countries, but the available studies are sufficient to give a background knowledge. Other problems are dealt with only in one or two volumes of the present study. For example, the interesting problem of the influence upon wages and employment of free or relatively free land settlement, which could actually be dealt with in a review of conditions in Australia, will be treated only in the volume on the United States. The same holds true of the history of some trade union theories on wages and hours of work. On the other hand, the influence of gold discoveries upon the living standard of the people will be dealt with only summarily in the volume on the United States, but the chapter dealing with labour conditions in Australia will consider it in more detail. Again, the important fact that employers have begun to re-apply methods of exploitation in use during the early period of industrial capitalism (lengthening of the working day, lowering of real wages, etc.) will be dealt with quite briefly in most of the volumes, but will be considered in greatest detail in the case of Germany, where Fascism has outstripped other countries in the application of both cruder and subtler methods of exploitation. The present volume devotes, of course, special attention to labour conditions in the Dominions and Colonies, and the volume on France will deal also with other aspects of these problems.

My treatment of the subject of labour conditions is statistical. That is, wherever possible I have tried to give figures which reveal the course of development of the various aspects of labour conditions. And when no figures were available I have given only few indications of what occurred. That is, these volumes deal chiefly with problems which can be presented statistically, and I have indicated other aspects of labour conditions only in order to round off the picture without dealing with them in great detail. This necessarily means a narrowing of the field covered by this series of studies.\*

Finally, the field is still further narrowed by the fact that I deal chiefly with conditions of labour directly working under industrial and, in later phases, under finance capitalism, or imperialism. For example, while only touching upon the conditions of the agricultural population in India, I give more detailed statistics of the conditions of industrial labour and of plantation labour.

To all these voluntary restrictions in the field of investigation are added a great number of unavoidable restrictions, arising out of the paucity of our information on many subjects.

In spite of all these shortcomings and voluntary restrictions, I hope, nevertheless, that a clear enough picture is presented of each of the countries dealt with to indicate the general trend of the development of labour conditions, and at the same time to give some idea also of the peculiarities of labour conditions in the different countries.

I hope, too, that I have added to our statistical knowledge and to the existing statistical methods of measuring labour conditions. Sometimes that was easy. Incredible though it may sound, and in spite of the fact that the statistical material is readily available to anybody interested in the subject, this book is the first to contain, among other things, an index of wages for Australia since 1850. Considerably more difficult was the construction of a wage index for India, and this must not be regarded as more than a first approximation. The index of unproductivity, drawn up for the first time for Great Britain, is, I

\* For this reason, with the exception of India, the present "colonial part" of the Empire is not dealt with in this book, except for some Notes at the end of the book on "Food and Health in the Colonial Empire."



think, an improvement upon my index of unproductivity in the United States published in a former study of mine.\* The statistical study of the relative position of labour has not made much progress since I published my first statistics fifteen years ago, and the figures given in this volume do not go much beyond those given in former works of mine.

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Before concluding this introductory preface I want to say a few words about statistics and politics. While statisticians of every political colour have expressed complete agreement with my statistical technique they have often reproved me for using my statistical knowledge for political purposes. This was perhaps most amusingly expressed in a review of my book *Hunger and Work* in *The Economist*, where the following was said:

“The defects of this book are less of technique than of deliberate and avowed bias. ‘La statistique est une maîtresse perfide qui égare ses adorateurs’ (Statistics is a mistress who makes fools of her admirers), someone once said. But Mr. Kuczynski is no ardent seeker after truth led astray by a too uncritical reliance on his statistics. To continue the metaphor, he is no Don José seduced and deceived by a fickle mistress. On the contrary, he has coldly exploited her for his own ends, those ends which he explains in the preface:

“The book is written to put into the hands of the workers computations based on Government material, which will help them in their fight for higher wages, to assist trade unionists in negotiations for better living conditions . . . for all those who . . . are ready to fight for the general welfare of the people and for social justice.”

My answer to *The Economist* is:

I shall always make use of my statistical knowledge in the interest of the people. I shall always endeavour to do it in such a way that the technique is faultless, that the training I have got has not been misspent. I hope that I shall succeed more and

\* *New Fashions in Wage Theory.*

more in presenting just those statistics which the working class and the people as a whole need in their fight for freedom and democracy. If that is bias then I hope I shall get more and more "biased."

JÜRGEN KUCZYNSKI

LONDON,

*February 23rd, 1942.*

## CHAPTER I

1750 TO 1850

"WHEN Queen Anne came to the throne the long struggle for the supremacy of the seas which we had waged with varying success since the pioneer days of Drake and Hawkins was nearly over. The once great power of Portugal and Spain was little more than a memory. The French were badly crippled after the treaty of Utrecht in 1713. The Dutch were being out-manceuvred and outrivalled on every trade route. Everywhere overseas our merchants were in the ascendancy; at home our industries were developing rapidly. For the first fifty years of the century fortune smiled on most of the people of England."\*

Indeed, the ruling classes of Britain, foremost among them the agricultural capitalists, but no less so the commercial capitalists, could be well satisfied with the world in the first half of the eighteenth century.

Conditions among the masses of the people were bad. But they did not go from bad to worse. On the contrary, it is not improbable that they tended to improve a little. Harvests were good, prices of food remained relatively stable, unemployment tended to decline rather than to increase. It is true, the small tenant farmers suffered severely; it is true that in the south-western regions of England conditions for the masses of the people probably tended to deteriorate; but, taking Britain as a whole, one is justified in saying that for the masses of the people there had rarely been a period during which conditions showed fewer tendencies towards worsening and more towards improving.

All this changed rapidly with the turn of the half century and even more so as the end of the century approached. The period beginning with 1750 and ending with 1850, that is, the years immediately preceding the "industrial revolution," and the

\* J. C. Drummond and Anne Wilbraham: *The Englishman's Food, A History of Five Centuries of English Diet*, p. 205.

decades comprising the first period of industrial capitalism, brought about a rapid deterioration of the conditions of the working class while at the same time the wealth of Britain, her productive capacity, her economic resources, increased rapidly. The ruling classes, among which the industrial capitalists assumed a more and more prominent place, became richer and more powerful while the masses of the people became poorer and were more suppressed.

The combination of bad harvests and the enclosure of common land was depriving many of their property, while the agricultural population, especially the agricultural workers, suffered severely from the widening gap between rising prices and their earning capacity. Many villages began to die out. People could no longer hope to keep themselves alive in the countryside; they therefore began to move in ever-increasing numbers to the towns where the growth of manufacture and increased opportunity of employment appeared to promise them a chance to earn a living. The following table serves to illustrate the rapid development of the production of non-agricultural goods:\*

#### PRODUCTION OF NON-AGRICULTURAL GOODS

(1913 = 100)

1720-29 .. ..	2.1	1800-09 .. ..	5.7
1760-69 .. ..	2.6	1810-19 .. ..	7.1
1770-79 .. ..	3.0	1820-29 .. ..	9.7
1780-89 .. ..	3.5	1830-39 .. ..	14.3
1790-99 .. ..	4.6	1840-49 .. ..	19.6

We observe that the rate of growth between the two decades 1760-69 and 1770-79 is almost the same as that between the preceding five decades, 1720-29 to 1760-69, taken together, and with almost every following decade the rate of growth increases. Industrial production was becoming the dominant feature of British economy; and to the many evils which capitalist agriculture had brought to the masses of the people those of industrial capitalism were now being added.

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\* Walther Hoffmann, "Ein Index der industriellen Production für Grossbritannien seit dem 18. Jahrhundert." *Weltwirtschaftliches Archiv*, 40. Band, 1934, II, pp. 396-97.

In order to study conditions among the working class since the beginning of the industrial revolution we have to observe as many features and determining factors of their life as possible. While wages, for instance, especially if compared with the development of prices, give us some indication of their earning power, they do not tell us anything about housing conditions, the extent of child labour or the length of the working day. In the following pages, therefore, we shall try to assemble data on the main aspects of the life of the working class and the changes affecting it from the industrial revolution up to the middle of the last century; that is, up to the end of the first period of industrial capitalism.

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The following two tables indicate the development of wages during the period under review.

#### WAGES IN INDIVIDUAL INDUSTRIES, 1779 TO 1849\*

(1850 = 100)

<i>Decades and Trade Cycles</i>	<i>London Artisans</i>	<i>Cotton Industry</i>	<i>Building Trades</i>	<i>Engineering Shipbuilding</i>	<i>Agriculture</i>
1779-88	70	—	58	—	—
1789-98	75	—	66	—	83
1799-1808	88	182	—	—	111
1809-18	109	137	—	97†	120
1819-26	105	101	—	96	97
1820-26	105	100	—	96	95
1827-32	103	90	91	91	91
1833-42	99	93	95	—	91
1843-49	98	100	99	102	96

#### AVERAGE MONEY WAGES, COST OF LIVING, AND REAL WAGES\*

(1850 = 100)

<i>Decades and Trade Cycles</i>	<i>Money Wages</i>	<i>Cost of Living</i>	<i>Real Wages</i>
1779-88	—	85	—
1789-98	94	97	98
1799-1808	114	137	83
1809-18	114	159	72
1819-26	99	125	79
1820-26	98	122	80
1827-32	93	114	82
1833-42	95	110	86
1843-49	98	109	90

\* Wages by individual years, see Appendix to Chapter I, 1750 to 1850.

† 1810-18.

During the sixty years or more under review real wages first declined by about one quarter and then slowly rose again, but remained by almost 10 per cent below the real wage level at the beginning of the period. At about the middle of the nineteenth century, a worker could buy with his wages 10 per cent less than could his predecessor at the end of the eighteenth century; and had we the necessary data for the period between 1750 and 1789, we would probably find that the decline in the standard of purchasing power was even greater than the above figures indicate.

The decline up to 1818 was largely due, of course, to the economic crisis brought about by the wars against the French Revolution and Napoleon. Rapid rises in prices caused rapid falls in real wages. Yet—the more than thirty years following this period of wars and crises did not suffice to make up for the loss in real wages. In spite of rapidly increasing wealth, in spite of rapid technological progress and rapidly expanding industrial production, conditions among the working class remained worse than at the beginning of the industrial revolution.

If we look at the wages paid in individual industries we find that the general tendency is the same in all branches except the cotton industry. In the seventies and eighties wages are fairly stable and so is the cost of living. Beginning with the nineties up to the end of the wars with France, wages rise higher and higher while the cost of living mounts even more quickly. From then on to the middle of the thirties wages decline and the cost of living goes down even more than wages; the following years show a slight increase in wages. The different development in the cotton industry which paid lower and lower wages up to the thirties was due to technological changes in the industry, the rapid technical progress, the change-over from home to factory work, from manual to machine work, the pressure upon the wages of male workers by the especially rapid influx of women and children (though at the same time wages of male workers were depressed in order to force them to send wife and children into the factories); all this enabled the textile industry to pay particularly low wages instead of more or less the same as in other industries.

Almost all the above wage data refer to a full-time working

week. But during the period under review there were many years when unemployment rose steeply while there were others when the labour supply was almost insufficient. These changes in the situation are not reflected in the above figures, which should be corrected accordingly. Unfortunately, however, no accurate data are available as to variations in unemployment, and one of the few statements one can make with a certain assurance is that if we took unemployment into account the increase of real wages between 1833-42 and 1843-49 would be decidedly smaller, if not even wiped out.

Unemployment, especially its rapid rise during periods of industrial crisis, not only means loss of wages. It also means a terrible insecurity of livelihood.

Carlyle wrote as follows on the uncertainty in which the cotton spinner lives:\*

"Their trade, now in plethoric prosperity, anon extenuated into inanition and 'short time,' is of the nature of gambling; they live by it like gamblers, now in luxurious superfluity, now in starvation. Black mutinous discontent devours them; simply the miserablest feeling that can inhabit the heart of man."

And Engels wrote:†

"But far more demoralizing than his poverty in its influence upon the English working-man is the insecurity of his position, the necessity of living upon wages from hand to mouth, that in short which makes a proletarian of him."

The attitude of the employers towards the misery of the unemployed workers is described in *The Times*, December 14, 1841:

"The mill-owners, or, as they have been not inaptly designated, the millocrats, of the midland counties assembled on Thursday last at Derby, in what is called by them a 'Great Conference,' for the purpose of clubbing their information respecting the influence of the corn laws upon their manufactures; and after a morning consumed in detailing the sufferings of unemployed artisans these gentlemen proceeded to celebrate the public

\* *Chartism*, 2nd ed., p. 34.

† Friedrich Engels, *The Condition of the Working-Class in England in 1844*, London, 1936, p. 116.

distress which had brought them together in '*an excellent dinner, provided by the landlord of the Royal Hotel.*' "

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Besides unemployment there are further factors which reduce wages below the level indicated by the above figures, occasionally or over the period as a whole. One of them is the development of the system of fines. In order to "improve discipline," in order to take as much as possible from the workers, the employers began in the course of the period under review to work out a system of fines which made it possible to reduce actual wages paid to the workers to an increasing degree. Among the reasons for fines were: a worker found dirty at work, and a worker found washing himself in the factory; the amount of the fine for these two crimes was sometimes one shilling or even more, or about half of his daily earnings. If a worker in a spinning factory fell ill and could not find a satisfactory substitute for the day he often had to pay for the steam "unnecessarily produced," which might be as much as half his weekly wage.

Another device used by the employers in order to get back as much as possible from the wages they had to pay was the use of the truck system. This compels the worker to buy in company-controlled stores at prices far above normal. Often the workers received up to two-thirds of their wages in goods (foodstuffs, soap, candles, etc.) and when they rebelled against this practice they were severely punished. It is true, a number of Acts were in existence, forbidding the truck system; but the magistrates were not able to enforce them since the employers declined to obey the law, and the magistrates were either the employers themselves, or their relatives and friends. When the workers struck for the enforcement of the law or tried other means to compel the employers to obey the law of the country, they were imprisoned, flogged, or transported to penal settlements overseas on grounds of violation of the Vagrancy Acts.

Even if the workers got their full wages and could buy the goods they wanted in the open market, and even if they were able to avoid the imposition of fines, they were cheated in yet another fashion: the quality of the food they bought declined considerably in the period under review:



"There is indisputable evidence that a marked deterioration occurred in the eighteenth century in the quality of many foodstuffs, particularly those likely to be bought by the poorer people. It can to some extent be ascribed to the rapid commercialization of the trade in food which developed with the growth of the towns, and for this reason it was noticeable even in the first half of the century when the country as a whole was prosperous. It became much more striking, and its effects much more serious, when the dearth and high prices of the second fifty years brought greater temptation to the unscrupulous."\* "At no period have contemporary records shown the merchants to be guilty of such flagrant adulteration as between 1800 and 1850."†

Conditions deteriorated considerably in the second half of the eighteenth century and seem to have reached their lowest point in the first half of the nineteenth century. Loaves were doctored with alum, which increased the size and "improved" the colour (making them appear whiter); milk was of such incredibly poor quality, poisoned by adulterants or infection, that physicians recommended tea instead of this dangerous fluid; butter contained up to 33 per cent water and was often rancid.

But not only did the quality of the foodstuffs deteriorate. The decline in real wages also meant—as compared with conditions in the eighteenth century—a deterioration in the composition of the diet. Animal food formed an increasingly smaller proportion of the diet and Engels thus described food conditions among industrial workers:

"Descending gradually, we find the animal food reduced to a small piece of bacon cut up with the potatoes; lower still, even this disappears, and there remain only bread, cheese, porridge, and potatoes, until on the lowest round of the ladder, among the Irish, potatoes form the sole food."‡ "The food is, in general, bad; often almost unfit for use, and in many cases, at least at times, insufficient in quantity, so that, in extreme cases, death by starvation results."§

In other communities, bread takes the place of potatoes as the chief nourishment. "The staple food of the working man was

\* J. C. Drummond and Anne Wilbraham, l.c. pp. 221-22.

† L.c. p. 341.

‡ Friedrich Engels, l.c. p. 72.

§ L.c. p. 74.

still bread. Often in the hard times, particularly early in the nineteenth century, it was all he got. . . .”\*

A further development which limited the purchasing power of the worker and which finds no expression in the above wage tables is the following: During the greater part of the eighteenth century, a great many workers had a small garden plot where they could raise some vegetables or even rear a pig. With increasing industrialization and urbanization, with the swarming of large numbers of the industrial working class into congested cities, where houses were close together and space too valuable to be left open, this additional source of income ceased, and the workers remained wholly dependent upon their wage earnings. True, the percentage of industrial workers who got some additional food from such garden plots or pieces of land was still considerable around the middle of the nineteenth century, but it was undoubtedly much lower than around 1790.

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Though wages, even real wages, are, as we have said above, an important factor in the life of the worker, they are not the decisive factor. Did other factors move in a way which mitigated or even compensated and over-compensated for the unfavourable development of wages? “A poor man, under one system of life, may be happier than a man who is less poor under another, for civilization is the complex of all the forces and conditions that inspire and govern imagination and conduct.”†

One may say: Wages and real wages declined yet family earnings probably increased. A worker’s family of man, wife and three children, aged five, seven and twelve years, probably earned in 1830 as much as in 1790. But in 1790 very probably only the man worked, and at most his wife and the twelve-year-old child would contribute to the family earnings. In 1830, however, we may be sure that the seven-year-old child, and possibly also the five-year-old, had to work as well. The low wages of the men (especially their decline in the textile industries)

\* J. C. Drummond and Anne Wilbraham, l.c. p. 388.

† J. L. Hammond and Barbara Hammond, *The Town Labourer, 1760-1832*, London, 1937, pp. 6-7.

and the working opportunities which the new factory system created, forced the families to take their small children into the factories.

In the period of industrial capitalism under review the employment of women and children increased very rapidly. A manifesto from the Female Political Union of Newcastle,\* in 1839, explained that men's wages were so low that the mother and her small children were driven to work at a labour that degraded soul and body, and if this were not compulsion enough the overseers gave jobs only to men bringing a child with them. One can even say that for some time child labour formed the basis of the factory system. Certain kinds of work, especially in the textile industries, was done only by children; and according to opinion among the ruling classes this was perfectly right. William Pitt, Prime Minister around the turn of the century, proposed in his Poor Law Bill that children should start work at the age of five; and since the work required only a low mental equipment, a Lancashire millowner readily agreed to take one idiot with every twenty children furnished him by a London parish. In the factories and mines the children worked for twelve or even more hours. Often they slept in the factories or fell asleep beside the machines during their working hours; innumerable accidents happened in this way.

If the children were too young to work in the mills or factories, and if no member of the family was unemployed, the children were left at home alone and were often drugged in order to keep them "safe and quiet." The drugs bore significant names, such as Infant's Preservative and Mother's Blessing.

Often, especially during periods of crisis and depression, the man had to stay at home—unemployed—while the wife and the children had to go to work at shamelessly low wages:†

"In many cases the family is not wholly dissolved by the employment of the wife, but turned upside down. The wife supports the family, the husband sits at home, tends the children, sweeps the room and cooks. This case happens very frequently; in Manchester alone, many hundred such men could be cited, condemned to domestic occupations. It is easy to imagine the wrath aroused among the working-men by this reversal of all

\* *Northern Star*, February 9, 1839

† Engels, l.c. p. 144.

relations within the family, while the other social conditions remain unchanged.”

While an increasing proportion of the family was condemned to factory work, the number of hours worked also increased. Working days of 14, 16 and even 18 hours could be noted in many a factory during the thirties and even in the forties, while in the eighties of the eighteenth century such a working day was exceptional and evocative of comment. In Lancashire, for instance, a twelve-hour day was an exceptionally short working day in the twenties, while forty years before it was regarded as exceptionally long. Karl Marx pungently writes :\*

“... With this end in view, and for the purpose of ‘extirpating idleness, debauchery, and excess,’ of promoting a spirit of industry, of ‘lowering the price of labour in our manufactories, and easing the lands of the heavy burden of poor’s rates,’ our faithful champion of capital advocates a well-tryed means. The workers who become dependent on public support, paupers in a word, are to be confined in ‘an ideal workhouse.’ Such an ideal workhouse must be made ‘a House of Terror,’ and not an asylum for the poor, not a place ‘where they are to be plentifully fed, warmly and decently clothed, and where they do but little work.’ In this ‘House of Terror,’ this ‘ideal workhouse,’ the poor ‘shall work fourteen hours in a day, allowing proper time for meals, in such manner that there shall remain twelve hours of neat labour.’ ... Twelve working hours daily in an ‘ideal workhouse,’ in a ‘House of Terror.’ Such was a proposal made in 1770! Sixty-three years later, in 1833, when in four branches of industry the working day for children at ages ranging from thirteen to eighteen was by legal enactment reduced to twelve full working hours, a clamour was raised as if the knell of doom had sounded for English industry.”

The lengthening of the working day, which brought rapidly increasing profits to the ruling classes, was morally justified by reiterating that if the workers had more leisure they would not know how to spend it profitably and would degenerate morally. “All experience proves that in the lower orders the deterioration of morals increases with the quantity of unemployed time of

\* *Capital*, Dent’s edition, pp. 281, 282.

which they have the command.”\* And what holds true of the adults is even truer of the children. Mr. G. A. Lee, a cotton mill owner, put it neatly: “Nothing is more favourable to morals than habits of early subordination, industry, and regularity.”†

Another factor which contributed to a serious deterioration of the standard of living of the working class during the period under review was the rapid congestion in towns and cities. The industrialization of the country led to a rapid flow from the agricultural districts, and the “deserted village” had its counterpart in the over-crowded city. Engels describes housing conditions in a part of London in the beginning of the forties:

“It is a disorderly collection of tall, three- or four-storied houses with narrow, crooked, filthy streets. . . . The houses are occupied from cellar to garret, filthy within and without, and their appearance is such that no human being could possibly wish to live in them. But all this is nothing in comparison with the dwellings in the narrow courts and alleys between the streets, entered by covered passages between the houses, in which the filth and tottering ruin surpass all description. Scarcely a whole window-pane can be found, the walls are crumbling, door-posts and window-frames loose and broken. . . . Heaps of garbage and ashes lie in all directions, and the foul liquids emptied before the doors gather in stinking pools.”‡

And summarizing a housing survey of Manchester, Engels says:§

“In a word, we must confess that in the working-men’s dwellings of Manchester, no cleanliness, no convenience, and consequently no comfortable family life is possible; that in such dwellings only a physically degenerate race, robbed of all humanity, degraded, reduced morally and physically to bestiality, could feel comfortable and at home.”

In the country housing conditions were no less terrible. Cobbett described them:

“The labourers seem miserably poor. Their dwellings are little better than pig-beds, and their looks indicate that their

\* “An Inquiry into the Principle and Tendency of the Bill for imposing certain restrictions on Cotton Factories, 1818.”

† Quoted by J. L. and Barbara Hammond, *l.c.* pp. 180, 181.

‡ Friedrich Engels, *l.c.* p. 27.

§ *L.c.* p. 63.

food is not nearly equal to that of a pig. Their wretched hovels are stuck upon little bits of ground on the road side, where the space has been wider than the road demanded. In many places they have not two rods to a hovel. . . . In my whole life I never saw human wretchedness equal to this: no, not even amongst the free negroes in America, who, on the average, do not work one day out of four. And, this is 'prosperity,' is it? These, oh Pitt! are the fruits of thy hellish system!"\*

As a result of the increase in the working hours, the intensified physical exhaustion of the worker and growing undernourishment, the number of accidents in the factories and mines increased. True, some technical progress was made which might have contributed to a decline in industrial accidents. But such progress was employed as an instrument even further to increase profits for the ruling classes and to exhaust the labour power of the workers:

"... Hodgson's action led to the establishment of a Society at Sunderland for preventing accidents, and it was in answer to an appeal from this Society that Sir Humphry Davy visited Newcastle and gave his mind to the problem. Unfortunately even the alleviations of science were turned to the miner's disadvantage. The Davy lamp, for which the inventor refused to take out a patent, renouncing an income of £5,000 or £10,000 a year, 'his sole object to serve the cause of humanity,' was used in many cases to serve the cause of profits. Deeper and more dangerous seams were worked, and accidents actually increased in number. The writer of *A Voice from the Coal Mines*, a pamphlet published by the Northumberland miners in 1825, stated that since the introduction of the lamp the miner had had to work in still higher temperatures under conditions that caused him physical agony."†

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Life for the workers in the factories and mines and in the field, grew worse and worse. This development alone meant a considerable deterioration of the mental life and morale of the

\* William Cobbett, *Rural Rides*, November 7, 1821. 1885 edition, p. 21.

† J. L. and Barbara Hammond, l.c. pp. 37, 38.

workers. In addition, however, the ruling classes did everything possible to reduce the cultural standards of the masses. Not only did they strenuously oppose all educational progress; they also sought to reduce the standard of education by the progressive reduction of the workers' leisure periods and by reducing the standards of such educational institutions as did exist. Mr. Giddy, M.P., President of the Royal Society, argued as follows:

"However specious in theory the project might be, of giving education to the labouring classes of the poor, it would in effect be found to be prejudicial to their morals and happiness; it would teach them to despise their lot in life, instead of making them good servants in agriculture, and other labourious employments to which their rank in society had destined them; instead of teaching them subordination, it would render them factious and refractory, as was evident in the manufacturing counties; it would enable them to read seditious pamphlets, vicious books, and publications against Christianity; it would render them insolent to their superiors; and in a few years the result would be that the legislature would find it necessary to direct the strong arm of power towards them, and to furnish the executive magistrate with much more vigorous laws than were now in force."\*

But should any member of the labouring class by some fortuitous event or by diligent self-schooling become able to read, then the right kind of literature must be on hand for him. Not seditious pamphlets which might induce him to reflect upon his lot, to compare his condition with that of the rich, to discuss changes in his condition, but tempered discursions to show that he was really much better off than his employer, and that the poor had every reason to be much happier than the rich.

"Some of the necessities which poverty (if the condition of the labouring part of mankind must be so called) imposes, are not hardships but pleasure. Frugality itself is a pleasure. It is an exercise of attention and contrivance, which, whenever it is successful, produces satisfaction. The very care and forecast that are necessary to keep expenses and earnings upon a level form, when not embarrassed by too great difficulties, an agreeable

\* Hansard, IX, p. 798 nn.; quoted by J. L. and Barbara Hammond, l.c. p. 70.

engagement of the thoughts. This is lost amidst abundance. There is no pleasure in taking out of a large unmeasured fund. They who do that, and only that, are the mere conveyers of money from one hand to another. A yet more serious advantage which persons in inferior stations possess, is the ease with which they provide for their children. All the provision which a poor man's child requires is contained in two words, 'industry and innocence.' With these qualities, though without a shilling to set him forwards, he goes into the world prepared to become a useful, virtuous, and happy man. Nor will he fail to meet with a maintenance adequate to the habits with which he has been brought up, and to the expectations which he has formed; a degree of success sufficient for a person of any condition whatever."

Thus wrote Archdeacon William Paley in his *Reasons for Contentment; Addressed to the Labouring Part of the British Public*.<sup>\*</sup> It must be added that his pamphlet had many readers, that the author was considered eminently sane and that he died a natural death; he was, in fact, a famous theologian well beloved by the ruling classes.

But not all shared the opinions of Giddy and Paley. There were employers who regarded education as desirable—but unfortunately, they argued, it could not be achieved because to take an hour or two from the working time of the children would spell financial disaster, would mean "the surrender of all the profits of the establishment."

In concluding this survey of conditions of the working class between 1750 and 1850 we find it correct to say that "the poorer people knew hard times in the second half of the eighteenth century,"<sup>†</sup> and that it is equally correct that "One does not have to look far to find evidence that during the first twenty-five years of the nineteenth century the condition of the poorer people, both in town and country, went from bad to worse."<sup>‡</sup>

This deterioration was due not only to the fact that the wages of the workers declined in purchasing power, but also to other harmful changes in working and living conditions. Accidents

<sup>\*</sup> 1792 edition, pp. 11, 12. The pamphlet ran through several editions up to 1819.

<sup>†</sup> J. C. Drummond and Anne Wilbraham, l.c. p. 261.

<sup>‡</sup> L.c. p. 331.



increased, the working day was continually being lengthened, wherever labour power existed—be it among women or children, the sound or the sick, the sane or the feeble-minded—full use was made of it. It was a period of extensive exploitation, brutal, ruthless, primitive. If workers became incapacitated, if children fell sick or were disabled, if women broke down, it did not much matter—one could get others. If, because of the length of the working day, general fatigue lowered output, it did not much matter: one simply lengthened the working day again without increasing wages.\*

But the fact that exploitation increased extensively, that is that the creation of absolute surplus value played an increasing role, must not blind us to the fact that, at the same time, relative surplus value was produced—that is, that the working process became more and more intensive.† By various means the process of production was speeded up, and often the intensity of work per hour was also increased. One of the most tragic examples of this intensification of the working process was the beating of children in the factories by their parents in order to keep them awake or drive them to work faster. But these parents beat their children only to save them from a more cruel beating by the overseers, who used for this purpose the “billy-roller,” a heavy iron stick.

In fact, if workers stayed away from work, even if only to sleep off a drinking bout, it contributed to a slight improvement

\* “The inherent tendency of capitalist production, therefore, is towards the appropriation of labour for the whole twenty-four hours of the day.” (Karl Marx, *l.c.* p. 259).

† Surplus value is the value which the workers produce above the value of their wages. Assuming their wages being roughly sufficient to keep them alive and able to work, and assuming that the workers work about 6 hours in order to produce sufficient goods to keep them alive and able to work, all other things which they produce during the rest of the working day go to their employers and are surplus value, value above what is needed to keep them alive and able to work, value above the value of their wages. Surplus value can be created and increased by increasing the length of the working day. Surplus value created and increased in such a way is called absolute surplus value. Or, the employers may succeed in shortening the number of hours necessary to produce the minimum of goods needed to keep the workers alive and able to work (e.g. from six to five hours). They may do this either through technical progress and/or by increasing the intensity of work. If the total length of the working day remains the same, the surplus value created by the workers may, then, increase considerably. Surplus value created in such a way is called relative surplus value.

in their health conditions. Engels\* quotes Dr. Knight of Sheffield about conditions among grinders:

"I can convey some idea of the injuriousness of this occupation only by asserting that the hardest drinkers among the grinders are the longest lived among them, because they are longest and oftenest absent from their work."

"The depreciation of human life was thus the leading fact about the new system for the working classes. The human material was used up rapidly; workmen were called old at forty; the arrangements of society ensured an infinite supply; women and children were drawn in, and at the end the working class, which was now contributing not only the men but the entire family, seemed to be what it was at the beginning, a mere part of the machinery without share in the increased wealth or the increased power over life that machinery had brought. For the revolution that had raised the standard of comfort for the rich had depressed the standard of life for the poor; it had given to the capitalist a new importance, while it had degraded the workpeople to be the mere muscles of industry."†

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During the period under review the industrial working class was still young and without much experience. The French Revolution was a revolution of the class already in power in Britain, of the bourgeoisie. Reliable information on events in France was scarce, and the masses could not read. Yet unrest among the masses was so great that new Combination Laws had to be passed designed to safeguard the employers against organized working-class action. Pitt spoke of remedies for an "evil of considerable magnitude." Through these Combination Laws, which in effect made every strike or other form of organized resistance against wage cuts or increased working hours, against the imposition of new fines or harsh treatment by the overseers, legally impossible, and which led to the severe punishment of many a courageous fighter for the interests of his class, the employers were able to repress the labour movement and impede its development. Consequently, they had almost

\* Engels, l.c. p. 203.

† J. L. and Barbara Hammond, l.c. p. 50.

unlimited freedom to impose the harshest working and living conditions upon the workers.

George White and Gravener Henson, in their anonymously published *A Few Remarks on the State of the Laws at present in Existence for Regulating Masters and Workpeople* (1823), describe the Act of 1800, in the new textile industries, as being "a tremendous millstone round the neck of the local artisan, which has depressed and debased him to the earth: every act which he has attempted, every measure that he has devised to keep up or raise his wages, he has been told was illegal: the whole force of the civil power and influence of the district has been exerted against him because he was acting illegally: the magistrates, acting, as they believed, in unison with the views of the legislature, to check and keep down wages and combination, regarded, in almost every instance, every attempt on the part of the artisan to ameliorate his situation or support his station in society as a species of sedition and resistance of the Government: every committee or active man among them was regarded as a turbulent, dangerous instigator, whom it was necessary to watch and crush if possible."

A good example of the effects of the Combination Laws was the strike of the Scottish cotton weavers in 1812 for fixed wage rates, perhaps the largest strike in this period. Forty thousand weavers were on strike for three weeks. Towards the end, the employers appeared to be yielding, when suddenly the whole strike committee was arrested and the five leaders received prison sentences for the crime of combination. This broke the strike.

There were numerous strikes in this period. Occasionally thousands of workers would take part in one. Sometimes the strike was carefully prepared by one of the numerous short-lived unions formed at this time. But most of these strikes were unsuccessful and no coherent labour movement grew out of them. This holds true particularly of the factory workers. Sidney and Beatrice Webb, who perhaps regard conditions among the handicraftsmen too favourably, write:

"In place of the steady organized resistance to encroachment maintained by the handicraftsmen, we watch, in the machine industries, the alternation of outbursts of machine-breaking and

outrages, with intervals of abject submission and reckless competition with each other for employment. In the conduct of such organization as there was, repressive laws had, with the operatives as with the London artisans, the effect of throwing great power into the hands of a few men. These leaders were implicitly obeyed in times of industrial conflict, but the repeated defeats which they were unable to avert prevented that growth of confidence which is indispensable for permanent organization."\*

Engels writes:†

"The history of these Unions is a long series of defeats of the working-men, interrupted by a few isolated victories."

However, though unorganized and usually unsuccessful, the general pressure of the masses was so strong that in 1825 Parliament decided to repeal the Combination Laws. Though trade unions were not made legal by the new Act, the right to collective bargaining and the right to strike were established. The movement for the repeal of the Combination Laws and for other progressive acts in the twenties, thirties and forties of the nineteenth century was to a great extent headed by a number of bourgeois Radicals, liberal humanitarians, men of progressive ideas. The ruling class permitted them to operate because a change in industrial conditions, in the technique of exploitation, was in progress, and these reformers did partly the work of advertising as moral progress the measures, the introduction of which technical progress and new methods of exploitation required anyway. This general explanation of why these Radicals were successful does not detract in any degree from their courage, their usefulness and resolution. They were great men; and in the preface to *Capital*, Karl Marx pays well-merited tribute to those who worked as factory inspectors, medical investigators into the public health, commissioners of inquiry into the exploitation of women and children, housing conditions, the food supply, and so on.

During the last ten or twelve years of the period we are reviewing, the organized Trade Union movement and the general Radical movement led by bourgeois progressives—which two

\* *The History of Trade Unionism* (Revised edition, extended to 1920), p. 87.

† L.c. p. 216.

had frequently been interrelated—now merged into the great Chartist movement.

The Chartist movement transformed strikes into political rebellions. It gave substantial backing to political movements by the calling of strikes in their support. It conceived the idea of organizing a general strike in order to transform the political machinery of the country, and sought to bring about a political revolution to secure power for the people. The breaking-up of the Chartist movement also signifies the termination of the first period of the industrial labour movement, a period marked by almost continuous defeat on the industrial field, but by certain successes in Parliament caused, not by any sudden burgeoning of humanitarianism among the ruling class, but by their fear of the masses and by changes in the methods of industrial production.

## APPENDIX TO CHAPTER I

1750 TO 1850

### I. TABLES

#### 1. WAGES IN AGRICULTURE AND INDUSTRY AND THE COST OF LIVING FROM 1775 TO 1850

(1850 = 100)

Year	London Artisans	Cotton Industry	Building Trades	Engineering Shipbuilding	Agricul- ture	All Workers	Cost of Living
1775	70	—	55	—	—	—	84
1776	70	—	56	—	—	—	78
1777	70	—	56	—	—	—	85
1778	70	—	55	—	—	—	82
1779	70	—	56	—	—	—	78
1780	70	—	56	—	—	—	73
1781	70	—	56	—	—	—	87
1782	70	—	58	—	—	—	91
1783	70	—	58	—	—	—	90
1784	70	—	56	—	—	—	88
1785	70	—	58	—	—	—	86
1786	70	—	60	—	—	—	84
1787	70	—	58	—	—	—	84
1788	70	—	60	—	—	—	84
1789	70	—	60	—	71	84	86

# I. WAGES IN AGRICULTURE AND INDUSTRY AND THE COST OF LIVING FROM 1775 TO 1850—*continued*

(1850 = 100)

<i>Year</i>	<i>London Artisans</i>	<i>Cotton Industry</i>	<i>Building Trades</i>	<i>Engineering Shipbuilding</i>	<i>Agriculture</i>	<i>All Workers</i>	<i>Cost of Living</i>
1790	72	—	60	—	73	86	91
1791	72	—	60	—	75	87	88
1792	72	—	63	—	77	89	87
1793	73	—	69	54	79	93	92
1794	75	—	69	—	83	96	94
1795	78	—	69	—	87	99	108
1796	79	—	69	—	90	101	108
1797	81	177	69	—	94	104	107
1798	82	187	69	—	96	105	108
1799	82	175	69	—	98	106	116
1800	82	177	—	76	100	107	145
1801	84	175	—	—	102	108	148
1802	85	199	—	76	104	115	125
1803	85	189	—	—	108	113	130
1804	86	189	—	—	113	115	131
1805	88	217	—	87	119	125	144
1806	88	189	—	—	121	118	140
1807	97	168	—	—	123	118	140
1808	101	139	—	—	123	112	147
1809	103	145	—	—	123	115	161
1810	106	148	—	98	123	118	162
1811	111	132	—	94	123	114	160
1812	111	146	—	94	123	117	175
1813	112	153	—	98	123	120	180
1814	113	179	—	98	121	126	163
1815	113	142	—	98	119	117	147
1816	108	117	—	98	117	109	143
1817	106	106	—	98	115	105	147
1818	106	102	—	97	112	103	148
1819	104	102	—	99	112	103	146
1820	103	102	—	96	108	101	137
1821	104	101	—	96	102	100	126
1822	104	101	—	96	94	98	113
1823	104	100	—	96	90	96	115
1824	106	101	—	96	90	97	117
1825	107	101	—	96	90	97	127
1826	106	97	—	96	92	97	122
1827	106	97	92	94	92	96	120
1828	105	94	92	92	92	95	116
1829	103	94	91	91	90	94	114

I. WAGES IN AGRICULTURE AND INDUSTRY AND THE COST OF LIVING FROM 1775 TO 1850—*continued*

(1850 = 100)

Year	London Artisans	Cotton Industry	Building Trades	Engineering Shipbuilding	Agricul- ture	All Workers	Cost of Living
1830	104	87	91	89	90	92	108
1831	101	85	91	89	90	91	114
1832	101	86	91	90	92	92	112
1833	101	88	91	91	92	93	107
1834	101	94	91	91	90	94	103
1835	100	90	91	—	87	92	101
1836	98	92	93	—	88	93	106
1837	98	94	95	—	88	94	113
1838	98	94	97	—	90	96	113
1839	98	94	98	—	90	96	121
1840	98	94	98	102	92	97	115
1841	98	97	98	102	94	98	119
1842	98	97	98	100	96	98	104
1843	99	97	98	100	96	98	103
1844	99	99	98	102	94	99	103
1845	98	105	98	102	94	99	107
1846	98	105	98	103	96	100	117
1847	98	98	98	103	98	99	122
1848	98	98	100	101	98	99	110
1849	99	99	100	100	98	93	104
1850	100	100	100	100	100	100	100

## 2. REAL WAGES 1789-1850

(1850 = 100)

Year	Real Wages	Year	Real Wages	Year	Real Wages	Year	Real Wages
1789	98	1805	86	1820	74	1835	91
		1806	84	1821	79	1836	88
1790	95	1807	84	1822	86	1837	84
1791	99	1808	76	1823	84	1838	85
1792	103	1809	71	1824	83	1839	79
1793	101						
1794	102	1810	73	1825	77	1840	84
		1811	71	1826	79	1841	82
1795	91	1812	67	1827	80	1842	94
1796	94	1813	67	1828	82	1843	95
1797	97	1814	78	1829	82	1844	96
1798	97						
1799	91	1815	79	1830	86	1845	93
		1816	76	1831	80	1846	85
1800	74	1817	72	1832	82	1847	81
1801	73	1818	69	1833	87	1848	90
1802	91	1819	71	1834	91	1849	89
1803	87						
1804	88					1850	100

## II. SOURCES AND REMARKS.

An immense amount of useful information and the most penetrating appreciation of labour conditions in the period reviewed in Chapter I are to be found in Karl Marx's *Capital* and in Friedrich Engels' *The Condition of the Working-Class in England in 1844*; most useful also, are: Sidney and Beatrice Webb, *The History of Trade Unionism*; J. L. and Barbara Hammond, *The Town Labourer, 1760-1832*; and J. C. Drummond and Anne Wilbraham, *The Englishman's Food, Five Centuries of English Diet*.

The wage statistics are based on the studies of A. L. Bowley and G. H. Wood, entitled "The Statistics of Wages in the United Kingdom during the last Hundred Years," and published in the *Journal of the Royal Statistical Society*, 1899 to 1910; on Mr. Bowley's book *Wages in the United Kingdom in the Nineteenth Century*; on the official wage collection *Returns of Wages, Published between 1830 and 1886*, London, 1887; on Mrs. E. W. Gilboy's study, *Wages in Eighteenth-Century England*; and on the all too short article by R. S. Tucker, "Real Wages of Artisans in London, 1729-1935," in the *Journal of the American Statistical Association*, Vol. 31, No. 193, March 1936. The latter also contains the cost of living index which we have used.

Wage statistics relating to the period are of relatively low quality. The index of wages for all workers is based on a small number of industries only, and important industries, as for instance coal mining, are missing. Industries included in the survey are often represented only by skilled workers in a few occupations. No data on time lost through unemployment, short time, strikes and accidents are available. Some of the figures refer to wage rates, others to full-time earnings. Changes-over from male labour to female and child labour have not been taken into account. Wage data are overweighted with material from the big cities, especially London, and from the bigger establishments. The cost of living index refers exclusively to London.

The different series of indices have not been weighted, with the exception of the years 1800 to 1810 when, because of missing data, "Engineering and Shipbuilding" dropped out while the



cotton industry with its unusual movement of wages remained; I weighted "London Artisans" by 2, the other indices keeping their weight of 1.

The index of wages for all workers is a chain-index; the chain was constructed backwards, beginning with 1850; this explains why the index of wages of all workers in 1789, for example, is 84, while the three indices from which the general index is composed are 71 or less.

It is obvious from these observations that the statistical picture given is a very rough one. On the other hand, it would be hasty and incorrect to conclude that the *trend* indicated by the above tables is wrong. Wage conditions and real wage conditions did develop in the directions indicated in the above tables.

As compared with those given in my book *Labour Conditions in Western Europe* the above figures are better, as I have been able to make use of the study by Mr. Tucker and of many valuable suggestions received since the publication of my former study. If we compare the development of real wages according to both my former and the present studies, we arrive at the following table:

#### REAL WAGES, 1820 TO 1850

(1820-26 = 100)

<i>Trade Cycle</i>	<i>Former Study</i>	<i>Corrected Data</i>
1820-26	100	100
1827-32	98	102
1833-42	114	108
1843-49	121	113

The improvement in the corrected data is due chiefly to a decided improvement in the cost-of-living index through the use of that constructed by Mr. Tucker. The two cost-of-living indices run as follows:

#### COST OF LIVING, 1820 TO 1850

(1820-26 = 100)

<i>Trade Cycle</i>	<i>Former Study</i>	<i>Corrected Data</i>
1820-26	100	100
1827-32	98	93
1833-42	87	90
1843-49	85	89

The larger decline in the cost of living between 1820-26 and 1827-32 in the corrected index leads to a small increase of real wages instead of the small decline which my former study indicated; the smaller decline in the cost of living during the following trade cycle period leads to a smaller increase in real wages than in my former study.

Just as soon as we were able to discern regular trade cycles, I have given trade cycle averages instead of ten-year-averages. In this way I have avoided having one average (as could be the case with a ten-year one) contain, for example, two instances of wages pulled down by the heavy falls of two crises while the next average does not contain a single year of deep crisis. This innovation, which I introduced in my former books, has found general approval.

## CHAPTER II

1850 TO 1900

THE beginnings of the new period in the development of industrial capitalism and of labour conditions can already be discerned during the first half of the nineteenth century.

Its chief characteristics were the changing methods of production and exploitation in Britain, chief emphasis being given to the intensification of the working process (with more widespread use of machinery and the use of more and more complex machinery) and the production of relative surplus value: a shorter working day but more work per hour; employment of a smaller percentage of the working population (fewer children and in some industries fewer women) but better training for those employed (with better and more widespread elementary education); increasing real wages and increasing exploitation. Related to this are the creation of a labour aristocracy and a solid trade union movement among the skilled workers; and large-scale exportation of capital into the colonial empire, and as a consequence the increasing exploitation of natives by industrial capitalist methods (chiefly in mining, railway construction and on plantations).

The first indications of a change in the emphasis of methods of exploitation can be found in the early history of factory legislation. The first law referring to working conditions in factories was passed in 1802; it restricted the number of hours worked by apprentices in the cotton industry to twelve per day; up to 1833, three more Acts were passed: one in 1819, introducing the minimum age of nine for children in the cotton industry and limiting the working day for children between nine and sixteen years of age to twelve hours per day; one in 1825, limiting the hours worked per week to sixty-nine and on Saturday to nine for children in the cotton industry; and one in 1831, prohibiting night work for young persons aged from nine to

twenty-one and applying the 1825 Act to all persons under eighteen. But since Parliament did not vote any funds for adequate inspection of factories, since, also, parents had to abet the employers in violating these Acts because otherwise the family would have starved to death, and since there was no well organized labour movement to oppose infractions of these Acts, "The fact is that, prior to the Act of 1833, young persons and children were worked all night, all day, or both *ad libitum*."\* The next Act, that of 1833, referred to all textile branches, to children and to young persons, and limited the working day for children to forty-eight hours per week. Provision was made for inspection of factories, but the employers devised a system of employing the children in relays and starting the relays at irregular times, rendering it impossible for the inspectors to control the execution of the Act. Thus eleven more years passed without any effective factory legislation.

The first effective Act, passed in 1844, applied to textiles as a whole, and not only to children and young persons but also to adult women; it introduced the so-called half-time system for children, who were to work only six and a half hours daily or ten hours for three alternate days; women to work the same hours as young persons, that is, twelve hours daily and sixty-nine hours weekly.

These Acts, all dealing with the length of the working day, were designed to limit to a certain extent the rate of extensive exploitation, the production of absolute surplus value. But this limitation did not mean a limitation of profits. Quite early in the century, Robert Owen began to experiment with a shortened working day and to study its influence on output; he found that output per hour as well as output per day was not only maintained but even increased when he shortened the working day. He simply augmented the intensity of labour, and thus not only preserved but amplified the rate of exploitation by means of shortening the working day. Through the widening use of improved machinery, on the one hand, and, on the other, through the pressure of the working class for a shorter work-day—pressure which was at first sporadic but which became, during the second half of the century, progressively stronger

\* *Reports of Inspectors of Factories*, April 30, 1860, p. 50.

and better organized—the new form of exploitation, based chiefly on intensified labour and the increased production of relative instead of absolute surplus value, became universal.

Growing concern about the poor physique of the children, not for the children's sake, but for the sake of their future use as adult workers, helped to create an atmosphere not unfavourable to the effective introduction of factory legislation. Furthermore, the big employers began to realize that, while the new legislation forced them to improve technique by introducing better machinery, the same process would also help them, if the Factory Acts were applied throughout the whole industry, to eliminate the small employers who could not afford to buy new machinery. "Nevertheless, though the Factory Acts thus artificially ripen the material conditions requisite for the transformation of the manufacturing system into the factory system, at the same time, since they render a more considerable outlay of capital necessary, they hasten the decay of the small masters and the concentration of capital."\*

Thus, it was not only to the advantage of the workers but also to that of the big employers as opposed to their smaller competitors, that, if factory legislation, once introduced, was to be observed, it should be observed in industry as a whole. This may have helped to make factory legislation relatively effective in the second half of the nineteenth century. The numerous Factory Acts passed during the period from the first effective piece of factory legislation in 1844 until the consolidation of factory legislation in 1901, all referred to children and/or young persons and/or women, and by 1867 the scope of their application embraced all workshops employing fifty or more workers. They dealt chiefly with the regulation of the working day, but also contained clauses on sanitary conditions, on prevention of accidents and the education of children.

There is no doubt that factory legislation improved working conditions in certain respects and for certain groups of workers. Though child labour did not definitely decline until late in the seventies,† working conditions for children improved. Though

\* Karl Marx, *Capital*, p. 514.

† The percentage of children aged less than thirteen years working in textile industries was (cf. G. H. Wood, "Factory Legislation, considered with refer-

the shortening of the women's working day was, from the point of view of the employers, more than indemnified through intensification of the work performed, the additional leisure brought improvement into the lives of many women. True, the lessening in the number of hours worked by many adult male workers affected by factory legislation was richly amended, from the employers' point of view, by increased production of relative surplus value. But the new leisure afforded time for trade union activity. The consequent further benefits derived from trade union pressure for improvement in working conditions and all the advantages in home life which the gradual shortening of the working day brought about, contributed to the betterment of the life of the workers affected. One must, however, bear in mind the fact that the number of workers unaffected by factory legislation was very considerable.

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The development of factory legislation has been put in the forefront of this discussion of labour conditions in the second half of the nineteenth century because it shows very clearly the new trend in the evolution of exploitation, namely: increased emphasis upon the creation of relative surplus value. This short survey should be supplemented by a study of the development of productivity per hour and per day in the industries affected by factory legislation, and in industry as a whole. Unfortunately, very few data are available on this subject, and they are not of the best quality. We shall therefore content ourselves with examples drawn from the cotton industry where such investigations are relatively easy because of the technical character of the industry and because of the interest which statisticians and economists have shown in this problem as affecting this industry. Fortunately, the cotton industry is also foremost in the history of factory legislation. The following table gives an index of the number of hours worked per week, and the production per operative in the cotton yarns and in the cotton goods depart-

ence to the Wages, etc., of the Operatives Protected thereby," *Journal of the Royal Statistical Society*, June 1902, p. 311): 1835, 13 per cent; 1839, 6 per cent; 1850, 6 per cent; 1856, 6 per cent; 1870, 9 per cent; 1874, 13 per cent; 1878, 11 per cent; 1885, 9 per cent; 1890, 8 per cent; 1895, 5 per cent.

ments, per year as well as per day; a second table gives the number of operatives per spindle and the number of looms worked by a weaver.\*

# THE DEVELOPMENT OF PRODUCTIVITY IN THE COTTON INDUSTRY

TABLE I

<i>Years</i>	<i>Hours Worked per Week</i>	<i>Lbs. Production per Operative</i>			
		<i>Cotton Yarns per year</i>	<i>per hour</i>	<i>Cotton Goods per year</i>	<i>per hour</i>
1829-31	100	100	100	100	100
1844-46	87	178	205	323	372
1859-61	87	237	273	615	708
1880-82	82	357	436	775	948
1891-93	82	431	526	762	932

While the number of hours worked per week declined by almost 20 per cent, productivity per hour increased in some departments almost tenfold. The new policy of putting the chief emphasis on the production of relative surplus value, of decreasing the number of hours worked per worker and increasing in higher proportion the production per hour, is clearly revealed in the above table. Unfortunately, it is not possible to find out how much of the augmented production per hour is to be ascribed to increased intensity of labour and how much to technical progress, but that the intensity of work increased rapidly is beyond doubt. The following table supplements the data given above:

TABLE II

<i>Number of Operatives per 1,000 spindles in a large concern</i>		<i>A Weaver Worked Looms</i>	
<i>Year</i>	<i>Number</i>	<i>Year</i>	<i>Number</i>
1836	10	1820	0.9
1850	7.5	1850	1.2
1865	3.6	1878	2.3
1893	3.0	1885	3.4
		1893	4.6

The number of spindles served by a single operative thus increased by more than three times, while the number of looms

\* Cf. F. Merttens, "On the Hours and Cost of Labour in the Cotton Industry at Home and Abroad," *Manchester Statistical Society*, 1893-94.

worked per operative rose by four and a half to seven times. Truly an astonishing development!

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How did wages develop in this period of rapidly increasing production and productivity? The following table gives a survey of wages in individual industries:

#### WAGES IN INDIVIDUAL INDUSTRIES, 1849 TO 1903\*

(1900 = 100)

<i>Trade Cycle</i>	<i>Agriculture</i>	<i>Engineering Shipbuilding</i>	<i>Cotton</i>	<i>Textiles</i>	<i>Building</i>	<i>Printing</i>	<i>Coal Mining</i>
1849-58	58	71	52	—	61	81	—
1859-68	68	75	66	—	70	81	—
1869-79	90	84	81	—	83	89	—
1880-86	86	86	84	92	87	94	64
1887-95	90	91	91	95	91	97	76
1895-1903	97	98	98	98	98	100	83

Wages moved rather differently in the various individual industries. In agriculture and cotton, wages increased more than twice as much as in the printing industry. In almost all industries wages were below the level attained at the end of the century; only in textiles as a whole were they higher in the middle of the seventies than at the end of the century. Mining wages, after the general fall in the second half of the seventies, remained on a very low level almost up to the close of the century, while wages in the printing industry showed only a slight change after the middle of the seventies, having by then almost reached the 1900 level, and having escaped the general downward movement at the end of the seventies. But though the movement has been a somewhat varied one in the individual industries and from decade to decade, on the whole one may establish a general upward trend of money wages.

But the development of money wages alone is not decisive in the development of the purchasing power of the worker, even if, as is the case in the above table, the wage data take into account changes in the number of hours worked per day. There is the very important question of wage losses through unemployment

\* Wages by individual years, see Appendix to Chapter II, 1850 to 1900.



and short time, the item of variation in the cost of living, and the loss of certain sources of family income (child labour, garden plots, etc.). In the following table we give average money wages with and without taking into account losses through unemployment (unfortunately we have no information on the extent of short-time work), an index of the cost of living and an index of real wages:

AVERAGE MONEY WAGES, COST OF LIVING AND REAL WAGES,  
1849 TO 1903\*  
(1900 = 100)

<i>Trade Cycle</i>	<i>Money Wages</i>		<i>Cost of Living</i>	<i>Real Wages</i>	
	<i>Gross†</i>	<i>Net‡</i>		<i>Gross†</i>	<i>Net‡</i>
1849-58	60	59	103	58	57
1859-68	68	67	106	64	63
1869-79	82	81	110	75	74
1880-86	83	81	101	82	79
1887-95	89	87	96	93	91
1895-1903	96	95	96	99	99

If we compare conditions in 1850 and in 1900 we find that real wages and money wages increased by almost the same amount. Also the movement from trade cycle to trade cycle of both money wages and real wages has not been very different. Both gradually reached a high point about the middle of the seventies, which was followed by a small decline and then by a slow increase lasting to the end of the nineteenth century. There have, of course, been some variations in the movement of real and money wages, due to certain price fluctuations—but on the whole one must say that, during the fifty years under review, price fluctuations were comparatively small, and therefore of relatively little influence upon the purchasing power of wages.

If we compute trade cycle averages for the whole period since 1789 we are better able to survey the development as a whole:

\* Wages by individual years, see Appendix to Chapter II, 1850 to 1900.

† Without taking into account wage losses and gains through changes in short time and unemployment.

‡ Taking into account wage losses and gains through changes in unemployment.

## REAL WAGES,\* 1789 TO 1903

(1900 = 100)

1789-98 .. ..	58	1843-49 .. ..	53
1799-1808 .. ..	50	1849-58 .. ..	57
1809-18 .. ..	43	1859-68 .. ..	63
1819-28 .. ..	47	1869-79 .. ..	74
1820-26 .. ..	47	1880-86 .. ..	80
1827-32 .. ..	48	1887-95 .. ..	91
1833-42 .. ..	51	1895-1903 .. ..	99

During the years 1789 to 1858 real wages move in a semi-circle, first declining and then increasing again slowly until they regain their former level. The upward movement to be observed since the twenties continues up to the end of the century. If we had better data for the years before 1789 we would probably find that not until the last third of the nineteenth century did real wages reach the level they occupied at the beginning of the "industrial revolution." It was only in the last third of the nineteenth century that the purchasing power of the workers really reached levels not attained before under industrial capitalism.

\*                     \*                     \*

We have seen above how wages moved in individual industries. Another important division among the workers is that of sex. How did the movement of wages for the two sexes compare? Our data on women's wages are very poor indeed; it is not possible to give accurate data of changes from year to year. Wood† has computed some ten-year averages which we compare with our average wages for all workers:

## WAGES OF WOMEN AND AVERAGE WAGES

(1890 TO 1900 = 100)

<i>Ten-year period</i>	<i>Women</i>	<i>Average</i>	<i>Ten-year period</i>	<i>Women</i>	<i>Average</i>
1820-30	58	58	1860-70	75	74
1830-40	56	57	1870-80	93	89
1840-50	58	59	1880-90	95	90
1850-60	62	65	1890-1900	100	100

\* Since 1850 net real wages.

† George Henry Wood, "Factory Legislation," etc., l.c. p. 308.

There is no sufficiently definite difference in the movement of wages (taking into account the sketchiness of the computations of the wages of women) to allow us to draw any other conclusion than that, although wages of women and men did not always move equally quickly, they moved on the whole in the same direction and not very differently.

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Another important distinction is that between the better paid workers and the mass of the very poorly paid ones; this is the distinction between what is called the "labour aristocracy" and the mass of the workers. In a former study I have made a very rough computation of the development of wages for these two groups and I arrived at the following figures:\*

WAGES OF THE LABOUR ARISTOCRACY AND THE GREAT MASS  
OF THE WORKERS, 1869-1903†

(1900 = 100)

<i>Trade Cycle</i>	<i>Labour Aristocracy</i>	<i>Mass of the Workers</i>
1869-79	85	92
1880-86	88	85
1887-95	91	90
1895-1903	98	95

Though the figures are very rough and though even the trade cycle average figures cannot be regarded as anything but approximations, the difference in the development of the wages of the labour aristocracy and of the great mass of the workers is very obvious. While, in the third part of the century under review, the wages of the labour aristocracy show an increase from trade cycle to cycle, rising on the whole by more than one-sixth, the wages of the great mass of the workers fluctuated, first falling rather steeply and then increasing moderately, and showing but little change over the period as a whole.

The British ruling class, deriving enormous profits from its industrial monopoly position in the world and from its vast

\* Cf. Jürgen Kuczynski, "Die Entwicklung der Lage der Arbeiterschaft in Europa und Amerika 1870-1933," *Statistische Studien zur Entwicklung der Real-löhne und Relativlöhne in England, Deutschland, U.S.A., Frankreich und Belgien*.

† Wages by individual years, see Appendix to Chapter II, 1850 to 1900.

colonial empire, gave a small part of its profits to a selected group of workers in order to keep them relatively appeased, to avoid industrial unrest in the key industries, thus trying to prevent any effective mass movement by industry as a whole directed against the existence of capitalism. And many of these labour aristocrats "gaily share the feast of England's monopoly of the world market and the colonies." (Letter of Engels to Kautsky, September 2, 1882.)

The industrial monopoly position of Britain at that time was undisputed by any other capitalist country, not excepting the United States. Its political expression can be nicely observed in Britain's trade policy, the policy of *laissez-faire*, of "no tariffs," of free trade. For free trade, lack of tariffs in every country, meant, of course, unrestricted trade for a Britain which, in quality and cheapness of production, was far ahead of other countries.

The rapid expansion of colonial exploitation (accompanied by rapidly increasing profits) can best be illustrated by a few figures referring to the years immediately following the turn of the half century, when there began the new policy of exploitation, of differentiation between groups of workers and the creation of the "labour aristocracy." Thus, between 1853 and 1864 about £40,000,000 was subscribed for Indian railways. In 1857 about £80,000,000 worth of American railroad stock was held in Britain. Between 1852 and 1858 about \$60,000,000 were required for building railroads and canals in Canada, and the bulk of this money came from Great Britain. In France, in each of the six years after 1851, almost £30,000,000 was spent upon rail construction. A large part of the capital came from Britain, and at the construction of the Paris and Rouen railway, among 10,000 workers employed upwards of 4,000 were British.\* British investments abroad amounted by 1860 to nearly £200,000,000; ten years later they had increased fourfold, and during the following thirty years they multiplied again by four, amounting to about £3,000,000,000.

Engels writes as follows regarding the effects of British industrial monopoly upon the conditions of the working class:

"The truth is this: during the period of England's industrial

\* Cf. C. K. Hobson, *The Expert of Capital*.

monopoly the English working-class have, to a certain extent, shared in the benefits of the monopoly. These benefits were unequally parcelled out amongst them; the privileged minority pocketed most, but even the great mass had, at least, a temporary share now and then.”\*

We have now arrived at the end of our short survey of wage conditions during the second half of the nineteenth century. On the whole, real wages increased, though the level reached was probably not very much higher than that prevailing in the second half of the eighteenth century. The increase in wages was by no means uniform; in some industries the rise was more rapid than in others, in some occupations the workers forced the ruling class to give them a special increase in the rate of real wages (labour aristocracy).

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Our material on the variation of the number of hours worked per week is very scanty and not indicative of conditions in general. The best data have been collected by the trade unions; but, of course, working conditions among trade unionists are far better than among the immense majority of the unorganized workers. According to the statistics of some important trade unions the number of hours worked per week varied as follows:

#### NUMBER OF HOURS WORKED PER WEEK†‡

Years	<i>Amalgamated Society of Engineers</i>	<i>Amalgamated Society of Carpenters and Joiners</i>	<i>Friendly Society of Iron Founders</i>
1851-59	63 to 57	—	60 to 59½
1860-69	63 to 57, 60 to 56	64 to 52, 62 to 50½	60 to 57½
1870-79	60 to 56, 54 to 51	63 to 50, 60½ to 49½	60 to 56½, 54

For the years 1880-89 the Amalgamated Society of Engineers reports a working week of fifty-four hours which, in the following years, declined to fifty hours in some of the factories where Society members were working. The Amalgamated Society of

\* *London Commonweal*, quoted in Preface, l.c. p. xvii.

† Hours of work per week by individual years, see Appendix to Chapter II, 1850 to 1900.

‡ Longest and shortest working weeks by branches within a year during each decade.

Carpenters and Joiners reports for its best factories a working week of forty-eight and a half hours in the eighties and the first years of the nineties. The Friendly Society of Iron Founders reports a working week of fifty-four to fifty-three hours in the beginning of the nineties, little different from that of the seventies. The United Society of Boiler Makers and Iron Shipbuilders reports a working week of fifty-four hours for the years 1872-89, and of fifty-three to fifty-four hours in the beginning of the nineties.

The London Society of Compositors reports a working week of sixty-three hours for 1848-65, of sixty hours for 1866-71, and one of fifty-four hours until the beginning of the nineties. The Operative Bricklayers' Society reports a working week fluctuating between fifty-eight and a half and forty hours between the end of the sixties and the end of the eighties.

From all these data the following emerges: hours of work had a tendency to decline over the whole of the second half of the nineteenth century. Among the best organized trade unionists the working day was considerably lower than among the rest of the workers—not one case of an eleven-hour day worked on all the six week-days is reported at any time—yet we know from innumerable diverse sources that, around the middle of the century, many workers had a twelve-hour day, excluding time off for meals. The number of hours worked per day, though declining over the period as a whole, did not decline rapidly, and never without the stimulus of trade union action. If in the table giving annual data\* the number of hours worked seems sometimes to increase, this is not due necessarily to a deterioration of conditions but to the fact that the union secured control of working conditions in a factory which formerly, when non-unionized, worked very long hours, and that the union did not succeed at once in reducing the number of hours worked to the level of factories which had been unionized for some time. Furthermore, we must realize that the above figures are only rough approximations, that the unions probably did not make each year a fresh and comprehensive investigation into working conditions, and that some of the figures derive only from those branches reporting or from the assumption that, since nothing

\* See Appendix.

had been heard to the contrary, the number of hours worked had not changed. This causes the fixity of the working day in some unions to appear greater than it actually was; on the other hand, as is the case with the carpenters and joiners, the inclusion of new branches and factories makes the fluctuations in the number of hours worked by union members appear greater than it actually was. In conclusion, taking into account other trade union material, one can perhaps say that among well organized working groups around the middle of the century the ten-hour day (excluding meal-time, of course) was quite widespread, while at the end of the century many unions had gained for their members the nine-hour day, often with a shorter working day on Saturday.

But among the great mass of the workers a considerably longer working day was quite common—many of them still working eleven and twelve hours a day exclusive of meal-times—at the end of the nineteenth century.

During the second half of the nineteenth century real wages rose while hours of work declined. Child labour diminished and female labour declined in certain industries involving specially hard exertion. One gets the impression that working conditions quite definitely improved. The chief counter-balancing factor of this development was the constantly growing intensity of labour, probably accompanied by an increasing accident rate. Unfortunately we have no data which might enable us to measure statistically either the development of the accident rate or this increase in intensity.

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But there are other factors in the life of the workers which must be taken into account before we can arrive at definite conclusions as to the development of general working-class conditions in Britain. A very useful approach from another angle is a short study of nutrition and health; that is, the food which the masses eat and the state of health resulting in part from diet and in part from other factors, such as housing, industrial fatigue, and so on.

The difficulty of estimating food conditions becomes obvious from this statement, by the best authorities on the subject:

"There was a tendency for the diet of the town people to improve somewhat after 1860, when the influence of rising wages and of a fall in the price of some of the staple foods began to be felt. But it is, nevertheless, true that bread remained the chief food of the poor people. In 1892 it was found that the poor children of Bethnal Green were nourished almost entirely on bread, 83 per cent having no other solid food for seventeen out of twenty-one meals in the week."\*

There was some improvement—but the great masses of the poor still lived in great want. As Engels expressed it:

"... And the condition of the working class during this period? There was a temporary improvement even for the great mass. But this improvement always was reduced to the old level by the influx of the great body of the unemployed reserve, by the constant superseding of hands by new machinery, by the immigration of the agricultural population, now, too, more and more superseded by machines. A permanent improvement can be recognized for two 'protected' sections only of the working class. Firstly, the factory hands. . . . They are undoubtedly better off than before 1848. . . . Secondly, the great Trades' Unions. . . . But as to the great mass of working people, the state of misery and insecurity in which they live now is as low as ever, if not lower."†

The very low standard of nutrition could already be noticed among the children. Breast feeding had rapidly declined during the whole of the nineteenth century.

"The nineteenth century saw a marked decline in breast-feeding for children. . . . There were many causes. An important one affecting the poorer people was the increasing employment of women in factories. It also seems probable that the hard conditions of life, particularly during the bad periods, were responsible for a great many women being unable to nourish their children naturally. In former times most of these infants would have died, but as the nineteenth century passed an increasing proportion was successfully reared by artificial means."‡

\* J. C. Drummond and Anne Wilbraham, l.c. p. 393.

† L.c. pp. xiv, xv.

‡ J. C. Drummond and Anne Wilbraham, l.c. p. 444.



By "successfully" the authors mean that they did not die. And here we must point to one of the most misleading notions introduced by scientists into the history of social conditions. They investigate health conditions by examining the incidence of death. Now this interpretation is absolutely wrong. Death statistics are indicative of the relative state of life and death but not of the state of health. For, if by improved medical services or by the discovery of new curatives many people who otherwise would have died are kept alive and are even able to work under conditions of continuous poor health, one cannot call this an improved state of health. All statistics of health, therefore, which explain, for instance, that the number of deaths from illness "X" is rapidly declining and conclude from this that the state of health in respect to illness "X" is improving, are simply misleading. For, on the contrary, is not the state of health in relation to illness "X" deteriorating if, on the one hand, the number of deaths from "X" is declining but, on the other hand, the number of people affected by "X" but saved from actual death through better medicine is increasing? One must therefore be extremely careful in using such health statistics, because they really do not tell us anything about the spread of the illness, that is, of the real state of health, but only about the number of deaths resulting from the illness.

Statistics of the number of children who have died, and of those who have survived the first ten years of life, etc., do not tell us anything about the state of health of these children.\* On the other hand, some data on the real state of health, which fortunately have been collected, show us that the decline of the death rate among children is often not only not indicative but absolutely misleading. Drummond and Wilbraham say, for instance, "that by 1870 it was admitted that a proportion as high as one-third of the poor children of cities such as London and Manchester were suffering from obvious rickets. It is important to remember that such estimates were based on easily recognizable symptoms, bent limbs, rickety chest, etc., and that had there been available modern methods of diagnosis by X-rays, which detect much earlier stages, and milder forms of

\* Except, of course, when the death rate increases, for it is extremely improbable that the state of health improves while the death rate increases.

the disease, the proportion would have been far higher. . . . In some areas, such as the Clyde district, almost every child was found to be affected (in the eighties, J. K.). A map of its (the rickets disease, J. K.) distribution over the whole of England was, in fact, a map showing the density of the industrial population."\*

This had not changed by the end of the century. A survey of school children in Leeds in 1902 showed that in the poorer districts no less than half had rickets, while more than 60 per cent were suffering from carious teeth.

Bad teeth was an evil from which not only the children but the whole of the population began to suffer to an increasing degree. It is true, the death rate was not affected by this illness, the official health statistics did not take note of this evil, which became more and more widespread. But nevertheless, due probably to the fact that the diet of the people living in towns tended to become poorer in bone-forming elements, toothache became an ever recurring evil.

And yet, one would think that the influence of increased real wages and reduced hours of work should have made itself felt through a general improvement of health conditions, among the adult population at least. Fortunately, we have at our disposal a very thorough Government investigation into the physical conditions of the people made at the end of the century, so that we are able to give a picture based on a wide variety of collected material. How this investigation came about is typical of conditions under capitalism. The cause of this investigation, which aroused Whitehall, was a memorandum from Sir William Taylor, Director-General of the Army Medical Service, in which he reported that the Inspector-General of Recruiting was complaining about the poor physique of the men volunteering for service in the South African War. It was becoming increasingly difficult to get soldiers who measured up to army physical standards. Now, this was really serious. The Empire had to be guarded and expanded, and, after all, neither the Inspector-General of Recruiting nor the Director-General of the Army Medical Service were alarmist Radicals. A parlia-

\* L.c. p. 453.

mentary committee was therefore appointed to look into the matter.\*

Major-General H. C. Borrett, Inspector-General of Recruiting, wrote in his Annual Report for 1902 as follows:†

"The one subject which causes anxiety in the future as regards recruiting is the *gradual deterioration of the physique of the working classes* (my italics, J. K.), from whom the bulk of the recruits must always be drawn."

More cautious but not in contradiction to this, are the statements of two civilians.

Charles Booth, a pioneer in the field of investigation into labour conditions, gave this evidence before the committee:‡

(Chairman): "You are the author of *Life and Labour in London*, are you not?"—"I am."

"Did your investigation produce the impression that conditions unfavourable to the health of the community were growing in intensity?"—"I think I should not use the word 'intensity'. They are growing in amount in connection with the increase of the urban conditions of life. I could not say that the conditions have been more intense, but they are more widespread."

Booth was of the opinion that living conditions of the working class had not deteriorated (neither had they improved, in his opinion), but that unfavourable conditions prevailing in some places a number of years before, had spread to many other areas. Thus, in his opinion, there was no increase in deterioration as far as those sections of the working class were concerned, which had been the worst off a number of years before; but since more and more workers had been brought down to the level of the worst-off group, average working-class living conditions had deteriorated.

The evidence of Mr. Rowntree, another pioneer in this field, runs as follows:§

(Chairman): "You are the author of the book upon the conditions of life and labour in York?"—"Yes."

\* The Inter-Departmental Committee on Physical Deterioration. Its Report was published in 1904.

† Quoted in Report, vol. ii, p. 7.

‡ Report, vol. ii, p. 47.

§ Report, vol. ii, p. 200.

"Therefore you have made some considerable study of the conditions of the problems which we are asked to investigate?"—"Yes, a very fair amount."

"Are you in a position to say anything on the general question as to whether the conditions that make for deteriorated physique are increasing in intensity, or otherwise?"—"I do not think that I have any scientific information on the point. I have a general opinion that the conditions are such that it must be so. There is a greater proportion of people living in towns."

Although very cautious in expressing his opinion and very candid as to the degree of scientific accuracy in the premises on which he based his opinion, Mr. Rowntree did not hesitate to assert that conditions making for physical deterioration of the working class were becoming more widespread and forceful.

Eleven years before this, another report had been published,\* from which we want to quote only one statement, that by Sir R. Giffen, who was even less inclined to advocate measures of radical social reform than Mr. Booth or Mr. Rowntree:

"Your tables show, I think, that a very large proportion of the working class of the country are earning very low wages?"—"Yes; I think that really is the important impression which one gets, that although you have three-fourths of the working classes, that is, of the men, earning between £50 and £60 per annum and upwards, yet you have 25 per cent, or something like that, below the line of 20s. per week, and that is really below the line that one could consider expedient for a minimum subsistence."

Rightly and truly, J. C. Drummond and Anne Wilbraham thus sum up conditions at the end of the nineteenth century:†

"The close of Queen Victoria's reign marked the end of an epoch. Her life had seen a great Empire consolidated, vast national wealth built up and Britain's prestige raised to a level it had never before attained. What had been the cost? By most people it was counted in terms of the handful of casualties and the comparatively insignificant financial outlay on the campaigns which had opened up new lands and new trade routes, bringing

\* Fourth Report of the Royal Commission of Labour, London 1893. *Minutes of Evidence taken before the Royal Commission on Labour, Sitting as a Whole*, p. 475.

† L.c. p. 483.

us untold riches. Few troubled to look deeper. Few realized that the country had paid and was still paying heavily for its remarkable commercial and industrial expansion in the marked deterioration of physique and health which the appalling conditions of labour had brought about. It is no exaggeration to say that the opening of the twentieth century saw malnutrition more rife in England than it had been since the great dearths of mediaeval and Tudor times."

Malnutrition more rife than ever in the period of industrial capitalism; malnutrition more rife, in spite of the fact that real wages were probably higher than ever before in the history of industrial capitalism; malnutrition more rife, in spite of the fact that working hours were fewer and leisure longer than ever before in the history of industrial capitalism; malnutrition more rife, in spite of the fact that the labour movement was better organized and more active than ever before under industrial capitalism!

At first sight it must seem almost impossible to reconcile these different tendencies. But if we realize that there were better sanitary conditions in the towns but more congestion, a shorter working day but more intensity of work, increasing real wages but food of inferior quality and value, then we can understand what had happened during the second half of the nineteenth century. While in many respects labour conditions were improved, they deteriorated in other respects, and it was these other respects which proved to be dominant.

The difference between the development of labour conditions in the periods between 1775 and 1850, and 1850 and 1900, is not that, in the first period, labour conditions deteriorated, and improved in the second. The difference is simply in the methods of increasing the exploitation of the working class; between the methods relying chiefly upon the creation of absolute surplus value (longer working days, employment of children, decreasing wages per day and week), and the methods relying chiefly upon the creation of relative surplus value (increasing intensity of work per hour, employment of highly skilled adults, decreasing wages per amount produced). Of course, both methods were employed in both periods, but in the first period one was pre-dominant, and, in the second, the other.

A second important difference between the two periods is that, in the first, though the textile industry was dominant, the wages of textile workers—which in 1775 were relatively high as compared with those of other workers—were lowered more than those of other industries; there was a tendency to level down wages. In the second period the iron and steel industry was dominant and there was a tendency to differentiate between certain groups and the rest, to create a labour aristocracy. The time had passed when guileless people could believe that with intelligence and industry they might become successful. But another smokescreen was spread by the ruling class: by means of intelligence and good work you might at least become a labour aristocrat. And indeed, living conditions among the labour aristocrats were considerably better than among the masses of the workers. Not a small number of labour aristocrats were destined to become traitors to their class, consciously or unconsciously. That was the idea behind the “creation of a labour aristocracy,” to split the workers and to try to play off a small group with key jobs in the factories and mines against the mass of the workers.

But the existence of this small group of better paid workers, better paid at the expense of the colonial people ruthlessly exploited by British capitalism, better paid partly because of the pressure exerted by the unions, must not lead us to make the serious mistake of overlooking the fact that for the great mass of the workers living conditions, as a whole, had deteriorated.

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While insisting on the fact, and explaining it from every possible angle, that conditions among the working class in Britain, on the average, did not improve during the second half of the nineteenth century, we must not omit to mention that the British workers were better off, on the whole, than those in other countries; better off than the workers in France and Germany; and even than those in the United States, where the large amount of immigrant labour depressed the general standard considerably.

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Before concluding this survey of labour conditions in the second period of industrial capitalism it is necessary to give at least an indication of the development of the relative position of labour. Unfortunately not enough data are available to calculate even approximately the workers' share of the national product. Certain computations have been made by Bowley and others, but they either refer to the share of the working class as a whole in the creation of national wealth, or they give average figures per head of population but not of the workers separately. Now, the share of the working class as a whole, or rather the variations in that share, are uninteresting unless at the same time one possesses figures showing whether the number of workers was increasing faster or more slowly than the population as a whole. It is a nice game, played by numerous apologists for the capitalist system, to show, for instance, that the percentage of the national income formed by wages remained almost stable for a considerable time. This, they argue, is proof of the fact that labour conditions cannot have deteriorated, at least in relation to other groups of society; and, since the national income as a whole has increased, this means that labour has shared fully in the benefits which capitalism has brought to mankind. Such apologists either do not realize, or deliberately ignore the fact, that labour is not a fixed quantity in society; that, on the contrary, there is a process of proletarianization going on, that the number of workers increases in relation to that of other groups of society. Now, if an increasing percentage of capitalist society gets a stable share in the national income this does not mean that those belonging to that group fully share in the benefits accruing to society; on the contrary, it means that, on the average, each member of this group receives a continuously declining share in the national wealth. If "labour" gets 50 per cent of the national income, and if the number of workers making up "labour" constantly grows while the number of other people in society remains stable, then labour's percentage has to increase, or its relative position in society will become worse and worse. Therefore, those few computations of the development of the relative position of labour which are available, and which do not take into account changes in the number of persons composing the working class, are valueless.

On the other hand, it is not possible to replace them by better computations, since the necessary statistical data are missing.

But it is possible at least to throw a sidelight on the problem and on some of the facts by studying the share of labour in the national industrial product. If we compare the development of industrial production and of real wages we can measure the increasing part of the national industrial product which goes either into capital accumulation, that is the production of new means of exploitation, or into the consumption of the ruling class, or into exports either for capital accumulation outside Britain or for exchange of production and consumption goods in foreign trade. The following table makes this comparison, giving real wages per worker, industrial production per head of the population and what we call the share of the worker, or his relative position, his relative wages, as well as the share of the capitalists, the latter two simply being reverse expressions of the same fact.

RELATIVE WAGES, 1859 TO 1903

(1900 = 100)

<i>Cycles</i>	<i>Industrial per capita production</i>	<i>Real Wages</i>	<i>Relative Wages</i>	<i>Share of Capitalists</i>
1859-68	51	63	124	81
1869-79	66	74	111	89
1880-86	83	79	96	104
1887-95	96	91	95	105
1895-1903	105	99	94	106

The relative position of the working class deteriorated considerably during the period under review, while the share of the capitalists\* increased very much indeed. The abyss between the "two nations" grew larger. The ruling class appropriated an increasing share in the national product, accumulated more and more capital, more and more means of production, that is, more and more means of further exploitation and of accumulation for yet further exploitation. At the same time, the relative spending power of the ruling class upon consumption goods

\* Unfortunately this expression includes in the above table not only the capitalists but all other non-wage earning groups of society. If we had sufficient statistical data to enable us to separate the big capitalists from the rest of the non-wage earning part of the population we would see that the share of capital in the national product increased even more than the above figures indicate.



increased. The standard of living of the ruling class improved while that of the masses deteriorated; and at the same time the means in the hands of the ruling class for still further improving their standard of living and for the further exploitation of the masses of the people also multiplied.

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It is of great interest to note that, just as the methods of exploitation and the whole character of capitalist economy underwent certain changes in the forties of the nineteenth century, so we can also observe parallel changes in the character of the labour movement. Up to the middle of the nineteenth century the labour movement might almost be termed anarchic: without solid organization, often senselessly violent (the machine wreckers) and utopian, often concentrated upon future changes of society, neglecting attention to the concrete tasks of the day in factory, field and mine, often led by well-meaning outsiders and without a solid working-class staff.

All this changed in the second half of the nineteenth century. In place of the rapidly appearing and disappearing political trade union came the solid business trade union. Utopian dreams were replaced by definite tasks which everyday life imposed upon the workers. The benevolent outsider was replaced by the workman who began as an ordinary member, attending union meetings in the evening, and who ended as a full-time paid trade union official. Violence and strikes were often deprecated, conspiracies of revolutionary character were often deemed inappropriate, while negotiations, arbitration and respectability became labels instead of libels in the labour movement.

This characterization is deliberately simplified in order to make clear the difference in the character of these two phases in the British labour movement. Tendencies of both kinds could be observed during each of the two phases. But the chief traits are, I think, given correctly. In the next few pages I shall try to present some indicative details of the character of the British labour movement in the second half of the nineteenth century.\*

\* Cf. the above quoted book by the Webbs from which also the quotations below are taken.

I have used the term "business trade unionism." Two facts may explain what is meant by that. In the previous decades, numerous difficulties for the labour movement had been created by adverse court decisions. These decisions were often against the law, and touched almost every aspect of trade union activity and the life of the workers, be it the formation of a trade union branch or the attempt to abolish the truck system. Occasionally the workers resorted to the employment of legal assistance and thousands of pounds would be spent in litigation. In the forties, the miners' trade unions, which at that time grew quickly, decided to engage permanently that energetic attorney and friend of labour, W. P. Roberts, as their solicitor, and paid him a yearly salary of £1,000 to fight all their cases in the courts. We see, then, that the fight in the courts had become so important a factor in the work of the trade unions (strikes being considered a necessary evil) that unions decided on the regular employment of an able solicitor, paying him a salary which was not less than that which many business firms paid their lawyers. The second fact is that in the course of the second half of the nineteenth century the trade unions became financial institutions of great importance, administering substantial funds, sometimes exceeding £100,000, designed for death or burial benefit, for unemployment and emigration aid, for strike pay and illness, old age or accident benefit. The Webbs\* correctly characterize William Allan, the General Secretary of the Amalgamated Society of Engineers, as follows: "Allan aimed at transforming the 'paid agitator' into the trusted officer of a great financial corporation." And Allan was typical of many other prominent trade unionists. He was the secretary of the strongest and most influential union (just as the textile industry had had to yield in importance to the iron and steel industry, so did the leadership of the labour movement shift from the textile workers to the workers engaged in iron, steel and related industries).

The second phase of the British labour movement, the period in which labour forgot much about politics and learned much about organization, is characterized by the growth of many stable trade unions, many of which are still in existence to-day.

\* L.C. p. 235.

These unions built up a staff of well-trained trade union officials recruited from the most active workers in factory and mine. These unions laid the foundation of labour education.\*

We can get a rough picture of the growth of the trade union movement by the attendance statistics of the Trade Union Congresses:†

#### TRADE UNION CONGRESSES' ATTENDANCE

<i>Year and Place</i>	<i>Trade Unions</i>	<i>Trades Councils</i>
1866 Sheffield	110,436	88,938
1871 London		280,430
1876 Newcastle	455,490	121,998
1880 Dublin	380,913	94,511
1885 Southport	500,238	131,368
1890 Liverpool	1,592,850	333,548
1895 } ‡	1,414,800	
1900 } ‡	1,927,361	

These figures, with the exception of the good figures for the years 1895 and 1900, give only a very rough picture of the growth of trade unionism, but they are striking enough to impose upon the reader an impression of very solid and rapid development, especially if one keeps in mind that the most important among the unions attending these congresses are, in one form or the other, still in existence to-day.

While it is true that the trade unions began to deprecate strikes and to develop into financial corporations for the benefit of their members, this does not imply that no strikes took place, and that there were no political fights at all. An interesting passage in the Webbs' book runs:§

"It would be a mistake to assume that the inertia and supineness of the 'Amalgamated' Societies|| was a necessary result of

\* "... get knowledge, and in getting knowledge you get power. . . . Let us earnestly advise you to educate; get intelligence instead of alcohol—it is sweeter and more lasting," writes the *Flint Glass Makers' Magazine*. (Quoted by the Webbs, l.c. pp. 197–98.)

† Cf. *Abstract of Labour Statistics*, 1903.

‡ Cf. *Abstract of Labour Statistics*, 1903; these figures do not refer to attendance of congresses but to the membership of all trade unions reporting to the authorities.

§ L.c. pp. 321, 322.

|| Many trade unions called themselves "Amalgamated Societies" (J. K.).

their accumulated funds or their friendly benefits. The remarkable energy and success of the United Society of Boilermakers and Iron Shipbuilders, established in 1832, and between 1865 and 1875 rapidly increasing in membership and funds, shows that elaborate friendly benefits are not inconsistent with a strong and consistent trade policy. This quite exceptional success is, we believe, due to the fact that the Boilermakers provided an adequate salaried staff to attend to their trade affairs.\* The 'district delegates' who were, between 1873 and 1889, appointed for every important district, are absolutely unconcerned with the administration of friendly benefits, and devote themselves exclusively to the work of Collective Bargaining. Unlike the general secretaries of the Engineers, Carpenters, Stonemasons, or Ironfounders, who had but one salaried assistant, Robert Knight, the able secretary of the Boilermakers, had under his orders an expert professional staff, and was accordingly able, not only to keep both employers and unruly members in check, but also successfully to adapt the union policy to the changing conditions of the industry. In short, it was not the presence of friendly benefits, but the absence of any such class of professional organizers as exists in the organizations of the Coalminers, Cotton Operatives, and Boilermakers, that created the deadlock in the administration of the great trade friendly societies."

This passage is an excellent appreciation of conditions. There were exceptions, there were large strikes, there was a certain political activity (especially concerning non-British affairs—e.g. the help Marx got from a number of trade union leaders in the First International), but the dominant picture is that of business unions whose main strength lies in a well-organized benefit system, and who, if they do engage in any political work, concentrate chiefly on special trade union affairs, such as the recognition of the right to collective bargaining and the protection of union funds. The two high points in the political life of the trade unions, therefore, were the hurrying through Parliament in 1869 of a provisional measure giving temporary protection to trade union funds, and The

\* They had, of course, just like the other unions also, a salaried staff to attend to the financial administration of the funds (J. K.).

Employers and Workmen Act of 1875, which recognized the right of the trade unions to collective bargaining.

Marx and Engels have often bitterly remarked upon the "new type" of trade unionist this development created. The "bourgeois worker," the labour aristocrat, the class-changeling, all these are the bad products of the new trade unionism of the second half of the nineteenth century. Engels\* says of them:

"They form an aristocracy among the working class; they have succeeded in enforcing for themselves a relatively comfortable position, and they accept it as final. They are the model working men of Messrs. Leone Levi and Giffen, and they are very nice people indeed nowadays to deal with, for any sensible capitalist in particular and for the whole capitalist class in general."

A change in the attitude of the trade unions, and in their character and the composition of their membership, came about slowly at the end of the nineteenth century. Just as the change from the first to the second period had begun to take place before the turn of the half century—that is, still during the first period—and just as this change had a parallel in changes of the economic structure of capitalism and in the methods of exploitation, so the new change, the third phase in the history of the British labour movement, goes back in its beginnings to the second phase and has a parallel in changing economic conditions. We shall deal with this third phase in the next chapter, although we can already observe it clearly in the eighties.†

\* L.c. p. xv.

† Since the sparse statistics of strikes and strike activity which we have pertain only to the nineties, when the new phase in the labour movement already exerted a considerable influence upon labour activity, we are unable to conclude this chapter with more concrete statistical evidence regarding the activities of the trade unions in the fight for an improvement of the conditions of labour. As to their activity in regard to improving the lot of their members through benefits which the workers themselves contributed, a vast collection of material is available in the union records and in the Government publications, *Labour Statistics, Statistical Tables and Report on Trade Unions*, published between 1887 and 1894, which give a most detailed picture of this aspect of trade union activity.

## APPENDIX TO CHAPTER II

1850 TO 1900

## I. TABLES

## 1. WAGES IN INDIVIDUAL INDUSTRIES, 1850 TO 1900

(1900 = 100)

<i>Year</i>	<i>Agriculture</i>	<i>Engineering Shipbuilding</i>	<i>Cotton</i>	<i>Textiles</i>	<i>Building</i>	<i>Printing</i>	<i>Coal Mining</i>
1850	48	66	48	—	58	81	—
1851	49	67	49	—	58	81	—
1852	52	68	50	—	58	81	—
1853	56	70	53	—	58	81	—
1854	64	74	53	—	61	81	—
1855	67	74	53	—	63	81	—
1856	68	74	56	—	65	81	—
1857	66	74	57	—	66	81	—
1858	65	72	57	—	66	81	—
1859	65	72	59	—	66	81	—
1860	66	72	63	—	68	81	—
1861	68	73	63	—	68	81	—
1862	68	74	63	—	68	81	—
1863	68	74	62	—	68	81	—
1864	68	75	62	—	68	81	—
1865	69	77	66	—	71	81	—
1866	70	78	72	—	75	81	—
1867	71	76	72	—	75	82	—
1868	72	76	74	—	75	82	—
1869	73	76	73	—	75	82	—
1870	76	77	76	—	76	83	—
1871	80	79	79	—	77	86	—
1872	87	83	82	—	79	86	—
1873	92	86	83	—	80	86	—
1874	96	87	84	107	84	91	89
1875	98	87	84	105	88	92	79
1876	98	87	86	105	90	93	71
1877	98	88	88	102	90	94	66
1878	96	87	82	92	88	94	62
1879	92	83	79	88	87	94	62
1880	88	84	81	90	87	94	61
1881	86	86	84	94	87	94	63
1882	86	88	84	94	87	94	68
1883	86	88	85	93	87	94	69
1884	86	87	85	94	87	94	66
1885	84	86	84	90	87	94	63
1886	84	84	83	89	87	94	61
1887	85	85	85	90	88	94	61
1888	87	88	88	94	88	94	65
1889	88	91	89	95	89	94	76

1. WAGES IN INDIVIDUAL INDUSTRIES, 1850 TO 1900—*continued*  
(1900 = 100)

Year	Agriculture	Engineering Shipbuilding	Cotton	Textiles	Building	Printing	Coal Mining
1890	90	93	90	95	90	96	86
1891	91	93	93	97	90	98	87
1892	92	92	95	96	91	98	79
1893	92	91	94	95	92	99	80
1894	93	91	94	95	93	99	76
1895	92	91	94	95	94	99	73
1896	92	94	95	95	95	99	72
1897	93	96	96	95	96	99	73
1898	95	98	96	95	98	99	79
1899	96	100	98	98	99	99	84
1900	100	100	100	100	100	100	100

2. MONEY WAGES, COST OF LIVING AND REAL WAGES  
1850 TO 1900  
(1900 = 100)

Year	Money Wages		Cost of Living	Real Wages	
	Gross*	Net†		Gross*	Net†
1850	56	55	94	60	59
1851	56	55	92	61	60
1852	56	54	92	61	59
1853	62	62	99	62	63
1854	64	64	112	57	57
1855	65	63	115	56	55
1856	65	64	115	57	56
1857	62	60	110	57	55
1858	62	56	102	60	55
1859	62	62	101	62	61
1860	64	64	105	61	62
1861	64	62	108	59	58
1862	65	61	105	62	58
1863	66	64	102	64	62
1864	69	70	101	68	69
1865	71	71	103	69	69
1866	74	73	109	68	68
1867	73	70	114	64	61
1868	73	69	112	65	61
1869	73	70	109	67	64
1870	75	74	109	69	68
1871	77	76	109	71	72
1872	82	83	114	71	73
1873	87	88	116	75	76
1874	87	88	113	77	78
1875	86	87	109	79	79
1876	85	85	108	79	79
1877	85	83	110	77	76
1878	83	79	108	76	73
1879	82	75	103	79	72

## 2. MONEY WAGES, COST OF LIVING AND REAL WAGES

1850 TO 1900—*continued*

(1900 = 100)

Year	Money Wages		Cost of Living	Real Wages	
	Gross*	Net†		Gross*	Net†
1880	82	80	106	77	75
1881	82	82	105	78	78
1882	82	83	106	78	78
1883	83	84	104	80	81
1884	84	80	102	82	78
1885	84	78	90	93	87
1886	83	77	96	86	79
1887	84	79	94	89	84
1888	85	83	94	90	88
1889	87	88	97	90	91
1890	91	92	97	94	95
1891	91	91	98	93	93
1892	90	88	98	93	90
1893	93	86	96	97	90
1894	90	87	94	96	92
1895	90	88	93	98	95
1896	91	91	92	99	99
1897	93	92	94	98	98
1898	94	94	96	98	98
1899	96	97	95	101	102
1900	100	100	100	100	100

## WAGES OF THE LABOUR ARISTOCRACY AND THE GREAT MASS OF THE WORKERS, 1869-1900

Year	Gross Money Wages		Unemployment	
	Labour Aristocracy	Great Mass	Labour Aristocracy	Great Mass
	1900 = 100		Per cent.	
1869	78	82	6.3	6.0
1870	79	85	4.1	3.8
1871	79	87	1.9	1.6
1872	81	94	1.1	0.9
1873	84	100	1.2	1.2
1874	88	99	1.6	1.7
1875	88	97	2.1	2.4
1876	90	96	3.0	3.7
1877	91	94	3.8	4.7
1878	90	90	6.3	6.8
1879	89	83	11.8	11.4

\* Without taking into account wage losses and gains through changes in short-time and unemployment.

† Taking into account changes in unemployment.



WAGES OF THE LABOUR ARISTOCRACY AND THE GREAT MASS  
OF THE WORKERS, 1869-1900—continued

Year	Gross Money Wages		Unemployment	
	Labour Aristocracy	Great Mass	Labour Aristocracy	Great Mass
	1900 = 100		Per cent.	Per cent.
1880	88	84	6.4	5.5
1881	89	86	4.5	3.5
1882	89	87	2.9	2.3
1883	89	87	3.2	2.6
1884	88	85	7.8	8.1
1885	88	83	10.0	9.3
1886	88	82	10.9	10.2
1887	89	82	8.5	7.6
1888	89	85	5.9	4.9
1889	90	91	2.7	2.1
1890	91	93	2.2	2.1
1891	92	95	3.0	3.5
1892	92	92	5.4	6.3
1893	92	92	7.3	7.5
1894	92	91	7.8	6.9
1895	93	91	6.3	5.8
1896	95	91	2.8	3.3
1897	96	92	3.0	3.3
1898	98	93	2.5	2.8
1899	99	96	1.8	2.0
1900	100	100	2.6	2.5

NUMBER OF HOURS WORKED PER WEEK\*

Year	Amalgamated Society of Engineers	Amalgamated Society of Carpenters and Joiners	Friendly Society of Iron Founders
1851	63 to 57	—	60 to 59½
1852	63 to 57	—	60 to 59½
1853	63 to 56	—	60 to 59½
1854	63 to 57	—	60 to 59½
1855	63 to 57	—	60 to 59½
1856	63 to 57	—	60 to 59½
1857	63 to 57	—	60 to 59½
1858	63 to 57	—	60 to 59½
1859	63 to 57	—	60 to 59½
1860	63 to 57	—	60 to 57½
1861	63 to 57	—	60 to 57½
1862	63 to 56	—	60 to 57½
1863	63 to 56	—	60 to 57½
1864	63 to 56	64 to 52	60 to 57½
1865	63 to 56	63 to 50½	60 to 57½
1866	60 to 56	63 to 50	60 to 57½
1867	60 to 56	63½ to 50½	60 to 57½
1868	60 to 56	62 to 50½	60 to 57½
1869	60 to 56	63½ to 50½	60 to 57½

\* Cf. *Labour Statistics, Statistical Tables and Report on Trade Unions*, C. 5104, 1887, and the following years.

NUMBER OF HOURS WORKED PER WEEK\*—*continued*

Year	Amalgamated Society of of Engineers	Amalgamated Society of Carpenters and Joiners	Friendly Society of Iron Founders
1870	60 to 56	61½ to 50½	60 to 56½
1871	60 to 54	63 to 50	60 to 56½
1872	54 to 51	61½ to 50	60 to 56½
1873	54 to 51	60½ to 49½	58½ to 54
1874	54 to 51	62 to 49	54
1875	54 to 51	62 to 49	54
1876	54 to 51	63 to 48½	54
1877	54 to 51	64 to 48½	54
1878	54 to 51	63 to 48½	54
1879	54	63 to 48½	54

## II. SOURCES AND REMARKS

For the statistics of wages in individual industries compare the studies of A. L. Bowley and G. H. Wood, "The Statistics of Wages in the United Kingdom during the last Hundred Years," in the *Journal of the Royal Statistical Society*, 1899-1910; A. L. Bowley, *Wages in the United Kingdom in the Nineteenth Century, and Wages and Income in the United Kingdom since 1860*, Cambridge, 1937; the regular retrospective statistics in the pre-1914-18 war issues of the *Abstract of Labour Statistics of the United Kingdom*; and *Returns of Wages, Published between 1830 and 1886*, London 1887. Statistics of wages for all industries are taken from G. H. Wood's article "Real Wages and the Standard of Comfort since 1850," *Journal of the Royal Statistical Society*, 1909.

The cost of living data are based on those given by Wood (*Real Wages and the Standard of Comfort*); while Wood, however, takes into account only half the increase in rents because, he argues, accommodation improved too, I have used his figures for the total increase in rents. From an article by H. W. Singer, "An Index of Urban Land Rents and House Rents in England and Wales, 1845-1913," *Econometrica*, Vol. 9, No. 324, July-October 1941, one may perhaps draw the conclusion that rents have increased even more than I assumed.

Professor Bowley recently computed a cost of living index, also a very rough one, and it is perhaps interesting to compare the development of the cost of living according to the original index of Wood with his index as corrected by me, and then with the new Bowley index (for the latter cf. *Wages and Income in the United Kingdom since 1860*):

\* Cf. *Labour Statistics, Statistical Tables and Report on Trade Unions*, C. 5104, 1887, and the following years.

## COST OF LIVING

<i>Year</i>	<i>Wood</i>	<i>Wood-Kuczynski</i>	<i>Bowley</i>
1850-54	100	100	100
1860-64	105	106	113
1870-74	111	114	115
1880	105	108	104
1890	94	99	88
1900	94	102	90

The second index is that used in this book. None of the three indices is of really good quality. Each has a definite bias in showing the development of the cost of living as too favourable for the worker. Wood argues that housing improved in the course of time, and, therefore, that the entire increase in rents should not be included in the cost-of-living index. But this argument does not seem logical. The worker always lives in the worst rooms available. If this accommodation improves in the course of time—that is, if the worst rooms in 1940 are better than the worst rooms in 1840, and if the rent is correspondingly higher—one cannot argue that, if rooms such as were inhabited by workers in 1840 still existed to-day, the worker would get them more cheaply than those in which he now lives. For the rooms of 1840 do not exist, and one cannot include in a cost-of-living index prices of goods which cannot be obtained. On the other hand, and this factor counts for much in the worker's budget, the quality of clothing has undoubtedly become inferior to that of forty and a hundred years ago, and this deterioration has necessarily led to a more frequent renewal of the worker's "wardrobe." The shorter expectation of life of socks and other clothing has not been taken into account in the cost-of-living index. The higher and still mounting fares the worker has to pay in order to reach his place of work, and the fact that, with the disappearance of garden plots, the worker has to pay for goods which he once did not need to buy, are also not taken into account. All this leads to too small an increase, or too large a decrease, in the cost-of-living index and, therefore, to a bias unfavourable to the workers.

On the other hand, the wage index also shows a development too favourable to the workers. All the advantages gained through trade union action in the cities and large towns and in the bigger concerns, are faithfully reflected by the index, while the lagging behind of conditions in small firms and in smaller towns

find only inadequate reflection in the wage index. Furthermore, the growth of short-time work finds no expression at all in our figures, since no data on this subject are available. The growing introduction of piece rates in the place of time rates works in the other direction, but this trend is overcompensated by the above-mentioned factors and those which follow. First, the trend from skilled to unskilled work, the dilution of labour which proceeded throughout the whole period, finds no expression in our wage index; second, no data on salaried employees are included and their conditions have deteriorated over the whole period. Seventy years ago a salaried worker belonged, socially and financially, to an absolutely different group from that of the wage-workers; to-day many "black-coat" workers are paid less than some wage-workers.

Finally, we must not forget the following interesting development: average wages tend to show an increase greater than that of wages paid in individual industries because, during the second half of the nineteenth century, there was a movement from lower paying to higher paying industries, chiefly from the textile to the iron, steel and metal industries. Of course, the number of workers in the textile and clothing industries also increased, but that in the iron and steel and other industries increased at a much greater rate. Even had real wages in each individual industry remained stable, average real wages would have increased because a larger number of workers were working in the higher paying industries. The not inconsiderable influence of this factor can be seen from the following table, which gives, according to Wood (cf. *Real Wages and the Standard of Comfort since 1850*), average wages with and without taking into account the relative increase in the number of workers in different industries:

#### AVERAGE WAGES IN ENGLAND

(RECALCULATED ON BASIS 1900 = 100)

Year	Without	With
	taking into account	relative number of workers
1850	66	56
1860	72	64
1870	81	75
1880	86	82
1890	93	91
1900	100	100

The more rapid increase of the average which takes into account the relative changes in the number of workers in the individual industries, is quite obvious.

As we have seen, both the index of the cost of living as well as the index of wages tend to convey the impression of a more favourable development of labour conditions than has actually taken place. Therefore, one must always deduct something if real wages are moving up; one must assume that they are actually declining if they seem to be stable, and that when they do show a decline the fall has actually been steeper than the figures indicate.

The only data available for the study of unemployment are the records of the trade unions which, up to the eighties, refer chiefly to skilled workers or to workers in a restricted number of industries. The easiest accessible source for unemployment data for the years up to 1870 is Wood's above-mentioned study *Real Wages and the Standard of Comfort since 1850*. For later years see the *Abstract of Labour Statistics*.

#### UNEMPLOYMENT, 1850 TO 1900

Year	Percentage	Year	Percentage	Year	Percentage	Year	Percentage
1850	4.0	1863	6.0	1876	3.7	1889	2.1
1851	3.9	1864	2.7	1877	4.7		
1852	6.0	1865	2.1	1878	6.8	1890	2.1
1853	1.7	1866	3.3	1879	11.4	1891	3.5
1854	2.9	1867	7.4			1892	6.3
1855	5.4	1868	7.9	1880	5.5	1893	7.5
1856	4.7	1869	6.7	1881	3.5	1894	6.9
1857	6.0			1882	2.3	1895	5.8
1858	11.9	1870	3.9	1883	2.6	1896	3.3
1859	3.8	1871	1.6	1884	8.1	1897	3.3
		1872	0.9	1885	9.3	1898	2.8
1860	1.9	1873	1.2	1886	10.2	1899	2.0
1861	5.2	1874	1.7	1887	7.6		
1862	8.4	1875	2.4	1888	4.9	1900	2.5

As to relative wages, the relative position of the worker, see for a detailed description of the underlying principles Vol. VII of this work and, until this is published, my book on *Labour Conditions in Western Europe 1820 to 1935*, London 1937, pp. 26-29. The index of the physical volume of production has been "treated" by multiplying it by the result of a division of the

wholesale price index into the cost-of-living index, in order to adjust the character of the index of the physical volume to that of a real wage index.\* The figures used for this treatment and those treated are:

(1900 = 100)

<i>Cycles</i>	<i>Physical Volume of Industrial Production</i>	<i>Wholesale Prices</i>	<i>Retail Prices</i>
1859-68	46	133	106
1869-79	62	129	110
1880-86	74	106	101
1887-95	83	91	96
1895-1903	97	89	96

For production figures we used the above-mentioned index by W. Hoffmann, for 'wholesale prices that of Sauerbeck and the *Statist*, for retail prices the Wood-Kuczynski cost-of-living index, for population data the official statistics, and for real wages our real wage index. The figures, of course, are only rough approximations. We, therefore, have not given relative wages by years, but only by trade-cycle averages. All the errors contained in the real wage index may have been multiplied by errors in the "treated" index of industrial per capita production. The only really reliable index is that of the population. The index of industrial production probably has a slight tendency to increase too quickly because of the omission from it of some important consumption goods industries. This slight tendency becomes a definite bias through the omission of agricultural production, which really should be included in order that the index become one of national production.

The wholesale price index probably suffers seriously from the omission of prices of most finished products. Neither for Britain nor for any other country does a satisfactory wholesale price index exist because average prices of finished manufactured goods are almost unknown and, therefore, are not taken into account. It is furthermore not advisable simply to replace a retail price index including the prices of all goods by a cost-of-living index including only the prices of such goods which the Government regards as necessities in a worker's household.

\* An argument against this procedure can be found in a review by A. L. Bowley in the *Journal of the Royal Statistical Society*, 1937.

Unfortunately, just as there is no index of agricultural production, so is there no comprehensive retail price index.

The publication of our figures of relative wages is justified only because they show such a definite downward trend that there can be no doubt, notwithstanding all possible errors, that relative wages have declined considerably in the course of the period reviewed here. Unfortunately, I have here to repeat a wish, expressed whenever I have published figures on relative wages: that my own computations may soon be superseded by those of others on the basis of new research on this really important subject. But, up to now, nobody, with the exception of one or two research workers in the Brookings Institution in Washington and in the Labor Research Association in New York, has undertaken any serious study in this direction.

On the history of the labour movement see also the study by Allen Hutt, *British Trade Unionism*.

## CHAPTER III

### 1900 TO THE PRESENT DAY

IMPERIALISM, finance capitalism, monopoly capitalism, wars and revolutions, decay and parasitism—all these are characteristics of the third period of capitalism which began about the end of the last century and which, unfortunately, survives in most countries.

A new period of capitalism means also a new period in the development of the labour movement and in the evolution and methods of exploitation; it means a new period in the history of labour conditions.

During the first period, which began with the industrial revolution and ended somewhere around the middle of the last century, industrial capitalism was in its infancy, the labour movement was rather unstable and not very successful, and the capitalists concentrated to a large extent upon the creation of absolute surplus value. During the second period industrial capitalism reached full maturity, extending all over the world and becoming a formidable power; the labour movement became a well-organized force though comprising only a relatively small part of the working class; capitalism became more "refined" in its methods of exploitation and concentrated chiefly upon the creation of relative surplus value. During the first period, labour conditions deteriorated almost everywhere. During the second period, certain groups of workers—the skilled and well-organized workers, the labour aristocracy—experienced an improvement of working and living conditions, while the great mass of the workers experienced a deterioration of living conditions.

During the third period, which is under review in the following pages, capitalism in Britain entered a period of partially retarded growth. The production of means of production developed as follows:\*

\* Cf. Jürgen Kuczynski; *Weltproduktion und Welthandel in den letzten 100 Jahren*.



## PRODUCTION OF MEANS OF PRODUCTION

(1909-14 = 100)

<i>Trade Cycle</i>	<i>Index</i>	<i>Rate of Growth per cent</i>
1869-79	46	—
1880-86	57	25
1887-95	66	16
1895-1903	79	20
1904-08	91	15
1909-14	100	10
1915-23	94	6 (decline)
1924-32	105	12
1909-14 to 1924-32	—	5

At the same time Britain's foreign trade showed similar tendencies:\*

## FOREIGN TRADE (VOLUME)

(1909-14 = 100)

<i>Trade Cycle</i>	<i>Index</i>	<i>Rate of Growth per cent</i>
1869-79	41	—
1880-86	55	34
1887-95	67	22
1895-1903	79	18
1904-08	89	13
1909-14	100	12
1915-23	87	13 (decline)
1924-32	107	23
1909-14 to 1924-32	—	7

We have entered the period of which Engels anxiously asks:† “And the working class? If, even under the unparalleled commercial and industrial expansion, from 1848 to 1866, they have to undergo such misery . . . what will it be when this dazzling period is brought finally to a close; when the present dreary stagnation shall not only become intensified, but this, its intensified condition, shall become the permanent and normal state of English trade?”

True, there has been no absolute stagnation, but progress slowed down greatly. True, during this period, world industrial capitalism developed rapidly, world production and world

\* Cf. Jürgen Kuczynski: *Weltproduktion und Welthandel in den letzten 100 Jahren*.

† L.c. p. xvii.

trade were still increasing considerably; but in the old capitalist countries, and especially in Great Britain, the oldest, development came almost to a standstill: production between 1924 and 1932, the last full trade cycle preceding the present world war, was barely higher than that of twenty years before, in spite of the fact that the number of people living in Great Britain had not inconsiderably increased; per capita production of industrial means of production has, in fact, declined; and foreign trade—reckoned in relation to the size of the population—has declined too.

But capitalism was still developing in Britain, too, during the period under review. It was transforming itself into monopoly-capitalism. Industrial capital was merging with bank capital into a unity called finance capital. Foreign capital holdings continued to increase. New colonies, new domains of exploitation, were added to those already within the Empire. The first world war was won and Britain's share in the spoils was no small one. Germany, Britain's chief industrial competitor in Europe, was beaten and her colonial empire smashed. All this occurred within a few decades; and yet this change in the character of British capitalism—a change which took place in other countries also—this apparently improved organization and competitive position of British capitalism could not counterbalance its tendencies of decay and degradation.

Furthermore, once German industry and commerce—Britain's chief competitors from 1890 to 1914—appeared to have been eliminated from the world market, the United States emerged as Britain's chief and much more powerful rival. After some years, Germany began to reappear on the world market. Furthermore, in the East the birth of the Soviet Union had eliminated one of the most profitable fields of investment. Finally, in recent years, one war after the other, beginning with the occupation of Manchuria by Japan, upset world conditions. Fascism spread. In 1939, in consequence of the policy of the ruling classes in the foremost capitalist countries, the second world war broke out. To-day, the greatest effort by all peoples is needed to beat down the terrible menace of German fascism.

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The tendencies of stagnation and retrogression are very clear from the tables on production and foreign trade. On the following pages we shall study the tendencies of decay and parasitism, so intimately connected with imperialism, with finance capitalism. Some years ago I endeavoured to examine these phenomena with regard to the United States\* and calculated an index of unproductivity in that country. I shall now try to do the same for Britain.

There are three factors which enter into this index of unproductivity. The first one is the decreasing use made of the labour force available, creating increased unemployment. The second factor is the increasing number of salaried persons engaged in occupations which under Socialism would either become superfluous or would shrink to reasonable proportions—such as banking, private insurance, etc.; we have measured the growth of this element of decay by computing the percentage by which the number of all non-working class occupied persons, excluding farmers, has grown in proportion to that of the workers. The third factor is the high percentage of the national productive power engaged in the production of armaments; I have measured this factor by calculating the percentage of the national income allocated to military expenditure.

### AN INDEX OF UNPRODUCTIVITY, 1880 TO 1939†

(1880 = 100)

#### I. INROADS IN LABOUR FORCE THROUGH UNEMPLOYMENT, OVER-EMPLOYMENT OF UNPRODUCTIVE FORCES, AND ARMAMENT EXPENDITURE AS PERCENTAGE OF NATIONAL INCOME

<i>Trade Cycle</i>	<i>Inroads in Labour Force through Unemployment (Full Labour Force equal 100)</i>	<i>Inroads in Labour Force through Unemployment and Over-employment of Unproductive Forces</i>	<i>Percentage of National In- come spent on Armaments</i>
1880-86	94.1	93	2.6
1887-95	94.8	93	2.4
1895-1903	96.5	93	4.4
1904-08	94.8	90	3.5
1909-14	96.0	88	6.1
1915-23	94.4	86	25.0
1924-32	87.1	77	2.5
1933-39	85.9	75	5.9

\* Cf. *New Fashions in Wage Theory*, London 1937, p. 72 f.

† Figures for individual years, see Appendix to Chapter III, 1900 to the Present Day.

## II. UNPRODUCTIVITY, 1880 TO 1939\*

(1880 = 100)

<i>Trade Cycle</i>	<i>Index</i>
1880-86	101
1887-95	102
1895-1903	104
1904-08	107
1909-14	111
1915-23	157
1924-32	123
1933-39	130

During the earlier trade cycles under review unproductivity increased continuously from cycle to cycle. During the last cycle, before the first world war, unproductivity was about 10 per cent higher than in the beginning of the eighties. During the war unproductivity, of course, rose steeply. After the war it declined—yet it remained considerably higher than before the first world war. During the last trade cycle it rose again, only slightly influenced by the high figure for 1939, the first year of the new world war.

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How did the workers fare in this period? Did conditions eventually improve generally? Did they continue to deteriorate? And, if so, were all workers affected, as during the first period of industrial capitalism, or were certain groups excepted as during the second period of industrial capitalism? Did the distribution of a small share in the extra profits from colonial exploitation affect a larger number of workers, or did monopoly-capitalism decide to swallow the whole share? Did the methods of exploitation change and to what extent? Is there a third method of obtaining surplus value besides the creation of absolute and relative surplus value? Did real wages continue to increase while other conditions affecting the labour and living conditions

\* Figures for individual years, see Appendix to Chapter III, 1900 to the Present Day.

of the working class deteriorated, or was there more uniformity in the development of the various aspects of the worker's life?

An examination of the following tables gives a clear answer to these questions. We begin with a study of the development of wages. The following table gives a survey of the development of wage rates in the five most important industries of the country.

# WAGES RATES IN INDIVIDUAL INDUSTRIES, 1904 TO 1939\*

(1900 = 100)

<i>Trade Cycle</i>	<i>Building</i>	<i>Coal Mining</i>	<i>Engineering</i>	<i>Textiles</i>	<i>Agriculture</i>
1904-08	100	87	101	105	103
1909-14	103	94	104	109	108
1915-23	192	166	195	188	—
1924-32	207	130	179	189	197
1933-39	203	129	188	175	206

If we compare the wages at the beginning of the century with those of the thirties, we notice that one industry has developed differently from the others: wages in the coal industry are only about 30 per cent higher than in 1900, while wages in other industries have increased 100 per cent or more; and even in the constantly depressed textile industries they have increased by 75 per cent.

Up to the first world war, only the coal industry showed sharp downward breaks, though when the war started the coal industry was again paying wages which had not changed very much more than those of other industries, being about 10 per cent below the average index. By the end of the war, the coal industry had moved up to about the average level, while engineering (armament industries) and agriculture (in an attempt to keep the workers on the land) had increased above the average. In the years following the war, the coal and engineering industries suffered the severest set-back, while in the thirties the textile industries were prominently sagging.

The following table enables us to survey general conditions and also to take into account the movement of prices.

\* Wages in individual years, see Appendix to Chapter III, 1900 to the Present Day.

AVERAGE MONEY WAGES, COST OF LIVING AND REAL WAGES,  
1904 TO 1939\*

(1900 = 100)

Trade Cycle	Money Wages		Cost of Living	Net Real Wages	
	Gross	Net		Per Full Time Week	Per Unemployed and Employed Worker
1904-08	100	97	102	97	95
1909-14†	104	101	108	95	93
1915-23	188	180	204	89	87
1924-32	186	164	181	98	91
1933-39†	185	163	169	104	96

This last table is perhaps the clearest and most impressive. It shows that up to the 1914-18 war real wages had a tendency to decline, that the post-war increase was very small, and that there was not a single trade cycle during which real wages reached the level of the turn of the century. If we except the early decades of the first period of industrial capitalism we find that for the first time real wages had a definite downward trend. Beginning and end of industrial capitalism, childhood and senility, unbalanced but vigorous growth and weak decay, produce the same phenomenon: declining real wages, declining purchasing power of the masses of the people. The methods of exploitation become similar. In both periods the rate of exploitation is increased by a definite lowering of the wage standard.

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This lowering of the wage standard, of the purchasing power of the working class, occurs not only among the great mass of the workers, but also among the so-called labour aristocracy; one can even say that the standard of purchasing power of the labour aristocracy is declining at a somewhat quicker rate than that of the great mass of the workers.‡

\* Wages for individual years, see Appendix to Chapter III, 1900 to the Present Day. The general index includes many more industries than are included in the preceding table.

† Incomplete cycles; crisis and depression years missing, cycles being interrupted by war.

‡ Cf. my above-mentioned study, *Die Entwicklung der Lage der Arbeiterschaft in Europa und Amerika, 1870-1933*.

## NET REAL WAGES OF THE GREAT MASS OF THE WORKERS AND OF THE LABOUR ARISTOCRACY

(1895-1903 = 100)		
<i>Trade Cycle</i>	<i>Labour Aristocracy</i>	<i>Great Mass</i>
1895-1903	100	100
1904-08	93	97
1909-14	92	96
1924-32	91	95

The real wages of the labour aristocracy had about twice as strong a downward trend as had those of the great mass of the workers, but the purchasing power of the labour aristocracy, as composed in the nineteenth century, still remained higher in spite of the steeper decline. The effects of monopoly capitalism with all its tendencies to decay—of imperialism as the period in which the world has been divided up and new markets and raw material sources usually have to be acquired through costly wars—the effects of the end of Britain's world monopoly as the outstanding industrial power, the policy of giving to a section of the working class increasing benefits from the extra profits accruing from the colonial empire. What Engels prophesied has come true:\*

"... With the breakdown of that monopoly, the English working class will lose that privileged position; it will find itself generally—the privileged and leading minority not excepted—on a level with its fellow-workers abroad."†

\* L.c. pp. xvii, xviii.

† That does not mean that the labour aristocracy is disappearing completely or that the standard of living of the whole of the labour aristocracy is declining. If we look closer we find the following development: the labour aristocracy becomes smaller in numbers and the smaller number is farther removed from the standard of living of the working class than before. If one could construct an index of the real income of the labour aristocracy taking into account the fact that the number of people (it is difficult to say: number of workers) belonging to it becomes smaller and smaller then one would find that the position of the labour aristocracy has improved during the twentieth century.

While during the nineteenth century the labour aristocracy was composed of a not inconsiderable number of skilled workers, it consists to-day chiefly of former workers who have gained positions (or who have been given positions by the State) in the trade union and co-operative bureaucracy, in Parliament, on all sorts of committees, municipal offices, State offices, etc. They all have so-called soft jobs and safe jobs, and their standard of living and interests are often opposed to those of the workers. The labour aristocracy in its nineteenth century composition is disappearing. The institution of the labour aristocracy as safe-guard for the ruling classes has been maintained—at considerably smaller cost.

The above wage figures indicate fairly clearly the changes in the purchasing power of the worker. But they do not indicate how the worker actually lives. They show that he can buy less to-day than ten years ago—but they do not show whether the worker can buy enough to-day.

During the twentieth century a number of studies have been made on the subject: what must the worker be able to buy in order to reproduce his working power daily and reproduce himself—that is, to raise a family? One of the most recent studies on “the necessities of physical fitness for themselves (the workers, J. K.) and those dependent on them” is that by Mr. Seebohm Rowntree.\* On the basis of the computations of Mr. Rowntree of what a worker needs, I have computed a table showing the percentage of workers who earn less than Rowntree’s minimum necessary to buy “the necessities of physical fitness.”† These figures refer to the last pre-war years; at the end of 1939 conditions were already worse, and to-day they have further deteriorated.

PERCENTAGE OF WORKERS WHO EARNED LESS THAN THE ROWNTREE MINIMUM‡ DURING THE YEARS BEFORE THE WAR

Industry	Male Workers per cent	Female Workers per cent	All Workers per cent
Mining, other than coal-mining and quarrying .. .. .	75	75	75
Treatment of non-metalliferous mine and quarry products .. .. .	10	80	11
Brick, pottery, glass, chemical products, etc. . . . .	4	70	16
Metal, engineering, shipbuilding, etc. . . . .	5	55	11
Textiles .. .. .	40	50	46
Leather .. .. .	12	65	24
Clothing .. .. .	12	35	29
Food, drink, tobacco .. .. .	7	35	18
Woodworking .. .. .	6	25	8
Paper, printing, stationery, etc. . . . .	1	15	5
Transport and storage (other than railways) .. .. .	3	35	4
Public utility services .. .. .	55	88	57
Coal mining .. .. .	80	—	80
Building .. .. .	50	—	50
Railways .. .. .	25	—	25
Agriculture .. .. .	100	100	100

\* B. S. Rowntree, *The Human Needs of Labour*, London, 1937.

† Cf. J. Kuczynski, *Hunger and Work*, London, 1938, p. 107.

‡ The Rowntree Minimum for a working-class family, the husband not doing specially heavy work, the family including three children, was before the war about 55s.



If we apply these percentages to the number of workers engaged in industry and agriculture, we find that about four million adult male workers earn less than the Rowntree minimum of existence and physical fitness for a family of five (including three children); and that about two million adult female workers earn less than the Rowntree minimum for a woman living without dependants. If we exclude from these all the workers who have no family or a smaller one, and married women, and if we include those workers who earn the minimum for a family of three children but who have larger families than this, as well as all the women with somebody dependent upon them, we arrive for 1937, at a rough calculation, at the figure of about ten million working men, women and children who are living under such conditions that they cannot even keep fit for work or grow up fit for work; they are not able to recuperate completely from the exhausting work they are doing, and thus have to expend more energy than they can replace.

Ten million working men, women and children underfed, underclothed, badly housed at a time which was "generally regarded as prosperous"; at a time which was rightly regarded as one of record employment and, as post-war 1914-18 conditions go, of comparatively little unemployment! This certainly is indicative of labour conditions in the period of monopolism, of imperialism, of capitalism in decay.

These figures are strikingly supported by the foremost British authority on food problems, Sir John Orr, who writes:\*

"The diet of nearly a third of the population is still not up to the standard which we now know to be necessary for health."

And comparing conditions in Britain with those in other countries he remarks:†

"The proportion of the population falling below the standard is no greater in Great Britain than it is in any of the other great nations, though it is probably greater than in some of the smaller democracies."

But food is only one of the things necessary to life which the workers cannot buy in sufficient quantities. Others are clothing, medical services, educational facilities, etc. Often the worker has

\* Sir John Orr and David Lubbock, *Feeding the People in War-Time*, London, 1940, p. 1.

† L.c. p. 31.

to choose between an adequate diet or being housed in decent conditions or clothing his family sufficiently. One of the most striking examples of the effect of living on a decent level in one of these respects upon other aspects of the workers' life are the experiences of the medical officer of health of Stockton-on-Tees, Dr. M'Gonigle.\* He investigated health conditions among workers who had been taken from overcrowded and insanitary houses and had been moved to a new and decent council estate. The effect of this re-housing was, curiously enough, not an improvement but a deterioration in health conditions. The reason for this surprising result was that, while the workers were considerably better housed, this better housing was so expensive that they had to cut down their food budget severely. This reduction in food expenditure had such grave effect upon their general standard of health that it more than cancelled out the benefits of better housing.

This is one of the clearest examples of the tragic conditions under which one-third of the British people lived before the present war: if they wanted decent housing conditions, they had to forego sufficient nourishment, or the reverse; if they wanted adequate food, they had to clothe themselves inadequately, and so on. One-third of the people, at least, but probably more, had to live at a standard which in the end must lead to degeneration.

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In describing conditions in the forties and earlier, Engels points out, and quotes Carlyle to the same effect, that one of the most degrading elements in the life of the workers was extreme insecurity. Periods of increasing business activity and scarcity of labour are followed by others of crisis and unemployment. This insecurity in the life of the workers may also be noted during the second half of the nineteenth century, up to the first world war. Since then—that is, during the last twenty years—an additional factor has still further worsened conditions and intensified insecurity; while during a period of crisis unemployment increases rapidly, during the periods of growing trade activity unemployment does decline but never so much that there is a labour scarcity. On the contrary, even

\* *Poverty and Public Health*, by G. C. M. M'Gonigle and J. Kirby.

during periods of considerably augmented trade, there remains a vast army of unemployed.

The change can be clearly observed in the following table:

PERCENTAGE UNEMPLOYED, 1900 TO 1939

<i>Year</i>	<i>Percentage</i>	<i>Year</i>	<i>Percentage</i>	<i>Year</i>	<i>Percentage</i>	<i>Year</i>	<i>Percentage</i>
1900	2.5	1910	4.7	1920	2.4	1930	15.8
1901	3.3	1911	3.0	1921	16.6	1931	21.1
1902	4.0	1912	3.2	1922	14.1	1932	21.9
1903	4.7	1913	2.1	1923	11.6	1933	19.8
1904	6.0	1914	3.3	1924	10.2	1934	16.6
1905	5.0	1915	1.1	1925	11.0	1935	15.3
1906	3.6	1916	0.4	1926	12.3	1936	12.9
1907	3.7	1917	0.7	1927	9.6	1937	10.6
1908	7.8	1918	0.8	1928	10.7	1938	12.5
1909	7.7	1919	2.4	1929	10.3	1939	10.3

Unemployment was "normal" during the years preceding the beginning of the first world war. During the war, unemployment declined considerably, many workers being called up and others compelled to produce to the utmost of their ability. During 1919 and 1920 unemployment remained low, then during the crisis of 1921 it rose rapidly, but probably was no higher than during other severe crises. After the crisis, however, unemployment did not fall to "normal," but remained on a high level until the new crisis in 1930 drove unemployment far above the 1921 crisis level. For about three years after the last crisis unemployment did not fall below the high mark of the previous crisis year, 1921. Only when the rearmament drive began did unemployment start to decline to what may be regarded as the "normal" post-war 1914-18 level, which is two or three times as high as the pre-war 1914-18 level. During the present war unemployment has also declined, but not as rapidly as during the first year of the war-period 1914-18.

But unemployment was not only high generally throughout the country. In some parts of Britain—the so-called distressed areas—unemployment, during all the years after the crisis of 1921, remained on a level which often surpassed the crisis peak for the country as a whole. In some parts of the country—industrially active during the last war, and almost dead during the succeeding years of peace—unemployment was rarely below 25 per cent, and sometimes reached 50 per cent and more. In

the distressed areas unemployment was not merely a menace rendering existence harassingly uncertain; unemployment was a certainty, the normal thing. In these parts of the country living conditions deteriorated very rapidly. Communities became so impoverished that they were unable to continue many services regarded nowadays as basically necessary: schools closed down because children lacked clothes and shoes and could not attend, and there were no funds for teachers' salaries; many small tradesmen became bankrupt because people could no longer buy enough to keep their shops going. Many a small place became completely derelict, and some towns of not inconsiderable size at least partly so.

Furthermore, with the labour market glutted because of relatively low production and the increasing productivity per hour, the employers tended to discriminate against the older age groups, and thus came into existence a core of some hundreds of thousands of men who for many months, and even for years, could not find employment because they lived in derelict areas or because of their age.\*

PERCENTAGE OF UNEMPLOYED WHO WERE UNEMPLOYED FOR A YEAR OR MORE

<i>Date</i>	<i>Percentage</i>
December 1932	21.1
December 1933	25.4
December 1934	24.2
December 1935	26.5
December 1936	25.1
December 1937	21.3
December 1938	19.3
August 1939	25.8

These figures show the terrible extent of unemployment. One-fifth to one-quarter of all unemployed were workless for a year or more. Many of them, in fact, the majority, were unemployed for longer than two years:\*

PERCENTAGE OF LONG-TERM UNEMPLOYED IN AUGUST 1939

Unemployed for at least 1 but less than 2 years	34.6
Unemployed for at least 2 but less than 3 years	19.3
Unemployed for at least 3 but less than 4 years	16.4
Unemployed for at least 4 but less than 5 years	7.6
Unemployed for 5 or more years	22.1

\* Cf. *The Ministry of Labour Gazette*, February 1940.

Thus, more than one-fifth of all the long-term unemployed had had no work for five years or more! They had really lost their quality of workers—they had become “pensioners” for life, living on a pittance; they had lost all the skill they once possessed; they had lost all hope of working again; most of them were not living but vegetating, victims of capitalism in decay.

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Another factor which has a detrimental influence on the life of the workers is the high rate of accidents. It is about one hundred years since the first safety and sanitary regulations were framed by the Government affecting conditions of the workers in their employment. Yet it is doubtful whether the rate of accidents has declined. A whole art of accident prevention has been developed; many safety devices of great ingenuity have been perfected; but the intensity of labour and the consequent fatigue of the worker have increased to such a degree that the benefit which science and invention have achieved has been undone by the evils which cut-throat competition and intensive exploitation have brought about. Unfortunately, there are no reliable accident statistics going back for any length of time. Only in the mining industry have we statistics which can give us a rough idea of the development of the rate of fatal accidents.\*

#### DEATH RATE IN COAL-MINING ACCIDENTS

<i>Years</i>	<i>Rate per 1,000 Employed</i>
1893-1902	1.39
1903-12	1.33
1913-22	1.15
1923-32	1.05
1933-41	1.12

The death rate has declined slightly according to these figures. But they are misleading, for they refer to one thousand employed and do not take into account the length of the working day. Assuming the working day in the first period under review to be about eight and a half hours, and during the last period under review somewhat less than eight hours, and assuming that the number of shifts per annum worked was about the same, we find that each thousand miners in the most recent period were

\* Cf. Annual Reports of the Secretary for Mines and Hansard, January 21, 1942.

exposed to the risk of accidents for 7-9 per cent fewer hours than in the first period under review. Now the fatal accident rate has declined during the whole time under review by about 20 per cent. This means that the accident rate per hour of exposure has declined over fifty years by only little more than 10 per cent, while over the last twenty-five years it has, in fact, increased! Since the number of shifts worked annually has, actually, been smaller between 1923 and 1941 than between 1893 and 1912 it should not be surprising if the accident rate per hour of work has actually increased during the last fifty years.

It is improbable that the non-fatal accident rate has improved during a period in which the fatal accident rate has either declined very little or may even have increased. If the employers are inclined at all to avoid accidents—that is, to sacrifice a small part of their profits to prevent them—it is with the fatal accident that they are concerned, for, as non-fatal accidents are so numerous and of daily occurrence, they do not fear any serious reaction of the workers against them. While it is significant that no reliable non-fatal accident statistics are published—and the motive is easily comprehensible—we can assume from the few data available that during the twentieth century their rate has increased rather than declined. While working conditions in many respects have been improved (better lighting, ventilation, etc.) the increased pace at which the worker has to labour has more than cancelled out these improvements. In fact, a number of such improvements have been made for the express purpose of increasing the intensity of work. On the whole, therefore, working conditions to-day are more detrimental to the health of the worker than they were at the beginning of the century. Just as one hundred years ago Engels could quote a medical authority as saying that those workers who stayed away from the factories for some time (even if they spent this time in drinking or sleeping off the effects of too much alcohol) had a longer expectation of life than those who worked regularly, because of the terrible conditions in the factories, so can we say to-day that most of the improvements in working conditions have been made to further the intensification of labour, and that the speed-up resulting from these improvements, as well as the general speed-up, have tended to worsen health conditions.

This estimate of the situation has recently found support in a most valuable study on "Factory Inspection: A Thirty-Five Years Retrospect," by Sir Duncan Wilson.\* Comparing industrial accidents in the beginning of this century and at the end of the thirties, he comes to the conclusion:

"But there is one aspect of industry in which we have progressed little if at all—and that is accident incidence. . . . The accident risk seems to have been little affected by all the attention and skill that has been devoted to its study."

Since Sir Duncan Wilson arrives at this conclusion without taking into account the shortening of the working day which has taken place during the last forty years, it is obvious that his estimate of the situation would have been even more pessimistic if he had studied accident incidence not only per employed worker but also per hour worked, that is, per hour of exposure to industrial accidents.

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We have frequently referred in the foregoing pages to the increased intensity of work. That this has increased rapidly is a fact recognized by everybody. But nobody knows by how much it has been increased. Nobody has even been able to form an estimate. The only computation which can be made is that of the increase in general productivity, that is, the increase of production per worker and per hour. This increase, however, is not due solely to the increased intensity of labour per worker, but partly also to technical improvements which do not necessarily require a corresponding increase in the effort put forth by the worker.

#### EMPLOYMENT, PRODUCTION AND PRODUCTIVITY, 1880 TO 1939†

(1913 = 100)

<i>Trade Cycle</i>	<i>Employment</i>	<i>Production</i>	<i>Productivity</i>
1880-86	73	57	79
1887-95	80	65	81
1895-1903	87	75	85
1904-08	91	83	91
1909-14	97	91	93
1924-32	95	90	95
1933-39	101	108	106

\* Read before the Royal Statistical Society on May 20, 1941.

† Figures for individual years, see Appendix to Chapter III, 1900 to the Present Day.

If we look first at the figures of employment we find that up to the first world war there was a steady rise, but that from the years immediately preceding the first world war until the middle of the thirties, there was little change in the labour force actually employed. The reason for this is not a sudden stoppage in the flow of new workers into the labour market; it is not a sudden increase in deaths of older workers as compared with the inflow of younger workers; it is not a sudden prosperity of the working class which induced many to quit the labour market sooner than is usual because they could live on their savings; the real cause is the rapid rise in unemployment in the years following the first world war; and the root cause for the considerable increase in unemployment is the decay of British capitalism.

Almost the same movement took place as far as production is concerned. Here, too, we can observe a sudden cessation of growth in the years following the first world war.

Before we study the figures of productivity it should be mentioned, however, that the above table shows only the productivity per worker. Though our data as to the development of the number of hours worked per day are too scanty to take into account changes in the length of the working day if we calculate year-to-year indices, it is possible to take into account roughly the shortening of the working day if we calculate trade cycle averages. Unfortunately, we have no data showing variations in short-time work, so that we have to leave this factor out of account. We repeat in the following table the statistics of productivity per worker and add estimates of the productivity per worker per hour.

#### THE PRODUCTIVITY PER WORKER

(1913 = 100)

<i>Trade Cycles</i>	<i>Productivity per Worker</i>	<i>Productivity per Worker and per Hour</i>
1880-86	79	71
1887-95	81	75
1895-1903	85	80
1904-08	91	87
1909-14	93	93
1924-32	95	105
1933-39	106	119



Productivity per worker per hour has increased during the last sixty years by about 70 per cent at least; I say "at least" because short-time, which has not been taken into account, was more widespread in the nineteen-thirties than in the eighties of the last century. The increase has been fairly equally spread over the years preceding and those following the last world war; if one were able to take into account the spread of short-time one would probably find a small acceleration in post-war years.

But it is of more importance that, if one were able to construct a special index of the increased intensity of work—that is of increased productivity caused, not by improved machinery, but by more intense, more strenuous work by the individual worker—one would undoubtedly find a considerable acceleration in post-war years. This acceleration is one of the chief causes of the poor health, and especially of the nervous diseases, affecting so many industrial workers, and of the high level of industrial accidents.

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When the worker returns in the evening, dead tired, with a wage often not sufficient to keep himself and his family fit, he often comes to a home that is noisy, overcrowded and insanitary. Much has been made of the post-war building programme and the improvements it has brought about. But if we look at the census figures, we find that very little change has indeed taken place. The following table gives the "incidence of sub-standard housing conditions," that is, the percentage of persons living more than two per room, for English county boroughs as well as for the country as a whole:\*

#### INCIDENCE OF SUB-STANDARD HOUSING CONDITIONS

(1901 to 1931)

Years	County Boroughs	Country as a Whole
1901	7·8	8·2
1911	7·7	7·8
1921	9·4	8·5
1931	7·2	6·2

\* Cf. P. D'Arcy Hart and G. Payling Wright, *Tuberculosis and Social Conditions in England*, London, 1939, pp. 57, 109.

There was an extremely small improvement in the years preceding the last war; the war years brought, of course, a considerable deterioration; post-war development drove the housing standard in the county borough only little above the pre-war level, while for the country as a whole conditions improved somewhat more. To-day, conditions are deteriorating again.

If one remembers the investigation of Dr. M'Gonigle, and then realizes that the small pre-war improvement has been secured, in some instances, at the cost of a rapid deterioration in food conditions, one hardly dares to praise the post-war housing policy, and the housing conditions of the workers.

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One characteristic feature in the development of labour conditions in the period under review should receive some special attention. We recall that during the first period of industrial capitalism exploitation consisted to a large extent in the creation of absolute surplus value—more hours of work per day, employment of children on a grand scale, lowering of real wages, etc. During the second period, it was chiefly relative surplus value that was created; the working day was shortened, the percentage of skilled workers and the degree of skill increased, real wages increased, and work was enormously intensified. During the third period, especially during its last stage, finance capital and monopoly try to combine both methods. This can best be observed in Germany, where, according to official statements since the Fascist Government came to power, child labour is again on the increase, the working day has been lengthened, and labour is diluted, while nevertheless the intensity of work increases.\*

This is happening in Britain too. Real wages have declined since the turn of the century. The working day in the mines before the present war had already become longer than in the years following the last war. Dilution of labour continued in all industries. The employment of women has been spreading. Before the war it was not unusual to hear of husbands being un-

\* Cf. Jürgen Kuczynski, *The Condition of the Workers in Great Britain, Germany and the Soviet Union, 1932-38*.

employed while wives endeavoured to earn a few shillings at some employment.\*

These are the beginnings of barbarism: intensive exploitation through the creation of absolute and relative surplus value by employing the primitive methods of one hundred years ago and the more recently developed methods of extraction. Capitalism in decay begins again to use the primitive means of exploitation in addition to its more "refined" methods. If capitalism continues in power one may expect a further lengthening of the working day, and child labour may be introduced either surreptitiously or officially. The quicker consumption of man-power will not bother the ruling class because of the large industrial reserve army composed of many hundred thousands of unemployed.

When we say that the most reactionary elements of the ruling class are in power, we refer, as far as labour conditions are concerned, to that group which does not object to reverting to the primitive methods of industrial capitalism in order to find additional means of squeezing more profits out of the people.

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Surveying the period now under review, the years from the turn of the century to the present world war, we find that the British workers have had to endure:

One minor war (South African War).

Two world wars (1914-18 and 1939- ).

One severe crisis (1908).

Two terrible world crises (1921-22 and 1929-32).

Several minor recessions.

One period of serious inflationary policy (1915-20).

The years of world war meant death and disablement to many hundreds of thousands of British workers. The economic losses of the working class, the burdens imposed upon them, the savings of which they were robbed, the diversion of their labour to production of the means of destruction instead of useful goods—all this defies adequate description. How can one multiply by the hundred thousand the feelings of a mother who sees her children going hungry day after day, the feelings of a wife who

\* The same could be observed one hundred years ago. Cf. p. 45 of this book.

loses her husband, or receives him back a cripple! The statistician and economist frankly admits himself to be unequal to this task, while knowing, as a politician, that the realization even of one-millionth of what such wars mean to them must rouse the masses of the people to end the conditions which produce these wars.

While unable to express the suffering and grief which a world crisis brings about, the statistician is able to measure roughly its economic consequences. And the result of such measurement, for instance, is that the 1929-32 crisis cost the working class economically about as much as the world war, if not more.

It is obvious that a period of capitalism which includes so many severe crises and two world wars must have meant a very considerable deterioration of labour and living conditions as compared with the previous period. And since the previous period (comprising the second half of the nineteenth century) brought a deterioration of conditions as compared with the first period (comprising the first seventy-five years of industrial capitalism), we can now say that, in spite of the enormous technical progress, in spite of the phenomenal increase in the production of commodities, in spite of the vast wealth created, the working class has experienced a constant worsening of conditions, not in all respects, not always in the same respect, not for all its sections always, but taking all aspects of labour and living conditions together.

Some people will say that the workers and their families are eating more and better to-day than fifty or a hundred years ago. Right! But the workers need more food because they have to work more intensely, and in fact the intensity of work has increased more than the quantity and quality of food they consume. Some people will say that the workers have more leisure to-day than fifty or a hundred years ago. Right! But the workers come home from work so exhausted that without increased leisure they would not be able to work at the pace required to-day in industry. Some will say that the introduction of social legislation has brought more security to the workers. Right! But increased and long-time unemployment have brought much more insecurity into the worker's life than the pittance paid through unemployment insurance can compensate. Old age sets in much earlier to-day than fifty years ago because the older worker is

often sacked for life and the meagre unemployment benefit or old age pension cannot make up for the working years a wage earner still had before him half a century ago at the age of fifty. Some people will say that the death rate has declined and that dangerous epidemics have been prevented and that health conditions in general have improved. True, the death rate has declined and dangerous epidemics have disappeared. But that does not mean that the worker has become healthier or that he has more chance of enjoying his prolonged life.

Whenever we are able to point to improvements we are at the same time, unfortunately, obliged to point to deteriorations which over-compensate the improvements in the condition of the working class during the last fifty or hundred years.

Industrial capitalism has laid the technical foundations for a better life for mankind—but the society built on these foundations is all wrong. The house of national economy has rooms for all the people, but the majority to-day are congested in a few, and are fed just enough to keep them alive, enough to enable them to continue building better and bigger rooms for the tiny minority which forms the ruling class. Only a complete reconstruction can provide the masses with the standard of comfort which technical progress, the means of production and the skill of the people could enable them to have.

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While absolute labour conditions deteriorated considerably, and while the wealth of the country increased and the rich profited thereby, it is obvious that relative conditions must also have deteriorated.

#### RELATIVE WAGES, 1895 TO 1932

(1900 = 100)

<i>Cycles</i>	<i>Industrial per capita production</i>	<i>Real Wages</i>	<i>Relative Wages</i>	<i>Share of Capital*</i>
1859-68	51	63	124	81
1895-1903	105	99	94	106
1904-08	104	95	91	110
1909-14	106	93	88	114
1924-32	119	91	76	132

\* See text and footnote on p. 82 of this book.

Thus, the relative position of the worker has worsened from cycle to cycle, and during the last full trade cycle, 1924-32, it was lower by about 40 per cent than during the sixties of the last century. At the same time the share of the capitalists\* has increased during the same period by over 60 per cent.

The abyss between the two nations, between the poor and the rich, between the millions and the few, between the people and its ruling class, has widened enormously. Capital has made gigantic gains, and labour's position in capitalist society has become worse than one would have thought possible in the sixties of the previous century when Karl Marx published *Capital* and when the First International—whose leadership included the prominent trade union leaders of Britain—hoped for a speedy delivery of the people from the evils of capitalism.

\*

\*

\*

The new period in the history of industrial capitalism can also be studied in its reflection in the history of the British labour movement, which likewise entered upon its third phase at about this time. The beginnings of this new period in the history of the labour movement under industrial capitalism can be traced back to the eighties of the last century.

While the topic of piece-work, when introduced by a delegate at the 1876 Trade Union Congress, was still regarded as one not to be mentioned by a respectable trade unionist, and as being too "anarchistic" and close to the sordidness of every-day life, and while still, in the early eighties, as the Webbs rightly observe,† "all observers were agreed that the Trade Unions of Great Britain would furnish an impenetrable barrier against Socialistic projects," all this changed in the second half of the eighties, and by 1893 (September 11) we find *The Times* regretfully and alarmedly noting that a new spirit dominated the Trade Union Congress.

How did this change come about? Some say that the organization of the Social Democratic Federation, in the beginning of the eighties, helped to permeate the trade unions with a new spirit. Great influence was often attributed to the lecturing tours

\* See text and footnote on p. 82 of this book.

† L.c. p. 374.

by men like William Morris and H. M. Hyndman, who not only reminded the workers how badly off they were but also explained the causes for this and showed how they could change society. But new ideologies alone—or, rather, old ideologies newly presented in better (or worse) form—do not change the labour movement. Something else is needed to make the workers ready to listen and to act. What were the new material facts?

Let us look at economic conditions during the eighties and early nineties:

1880	Increasing trade activity.
1881	Increasing trade activity.
1882	Increasing trade activity.
1883	Recession.
1884	Crisis.
1885	Crisis.
1886	Depression.
1887	Increasing trade activity.
1888	Increasing trade activity.
1889	Increasing trade activity.
1890	Increasing trade activity.
1891	Recession.
1892	Crisis.
1893	Crisis.

Between 1883–93 we note four years of increasing trade activity and seven years of recession, crisis or depression. Unemployment increased considerably. The town of Jarrow, so ill-famed after the last war and during the 1930's for its unemployment conditions, is frequently mentioned when the plight of the unemployed is described. Robert Knight, in the *Boilermakers' Annual Report for 1886*,\* writes:

"In every shipbuilding port there are to be seen thousands of idle men vainly seeking for an honest day's work. The privation that has been endured by them, their wives and children, is terrible to contemplate. Sicknes has been very prevalent, whilst the hundreds of pinched and hungry faces have told a tale of suffering and privation which no optimism could minimize or conceal."

General conditions, misery, hunger and unemployment for year after year, made the workers ready to hear the new message. But not only the workers in general; the skilled trades suffered

\* Quoted by the Webbs, *l.c.* p. 378.

equally, if not more so. So exclusive and aristocratic an organization as the Union of Flint Glass Makers permitted its secretary to write: "To our minds it is very hard for employers to attempt to force men into systems by which they cannot earn an honourable living."\*

During the former period, we have seen the trade unions often deprecating strikes and acting chiefly as benevolent institutions for the benefit (unemployment, burial, emigration, old age, etc.) of their members; in the eighties, year after year of poor trade conditions depleted the funds of the strongest skilled workers' union; benefits were reduced while contributions were increased and many members, old trade unionists, highly skilled men, aristocrats of labour, were left stranded. The old trade union idea was not able to weather such a storm. It proved weak and insufficient in the face of the cruel realities of approaching imperialism, of the beginnings of capitalism in decay and turmoil. The old trade unions were condemned by the brutal economic facts of life, and by the workers who found them inadequate.

We may therefore assert that, during the first period of the British labour movement under industrial capitalism, politics was the guiding star of all workers' organizations, including the numerous short-lived unions. During the second period the British working class learned the fundamental principles of organization. And now, in this third period, they were learning how to build up a labour movement which should be both strongly organized and also permeated with political ideas to be realized through organized action.

In the course of a few years, the new leaders of labour, strongly influenced by socialist ideas, gained a decisive influence in the labour movement, especially the trade unions. Political parties, the Social Democratic Federation, the Socialist League, the Scottish Labour Party, the Labour Party and the Independent Labour Party, sprang up and permeated the trade unions, gaining a large following among their members.

At the same time, trade union organization began among the unskilled workers. The strike of the dockers in 1889, led by Ben Tillett, Tom Mann and John Burns; the success of the new Gas Workers' and General Labourers' Union, established

\* *Flint Glass Makers' Magazine*, November 1884.



in 1889 and formed with the help of Burns, Mann and Tillett; the historic strike of the match-girls; the unemployed movements leading up to the famous demonstration on Sunday, November 13, 1887, in Trafalgar Square; all this spread the new ideas and caused them deeply to penetrate the consciousness of the British proletariat.

Quite rightly, the Webbs say,\* "The student of the volumes of *Justice* between 1884 and 1889 will be struck by the unconscious resemblance of many of the ideas and much of the phraseology of its contributors, to those of the *Poor Man's Guardian* and the *Pioneer* of 1834." But they omit to mention that the men who expressed those similar ideas had accumulated in their minds the experiences of the working class in the intervening fifty years and that they spoke, not for a loosely organized body of workers, but for well-disciplined mass organizations.

Unfortunately, the strike records of the British labour movement have been very badly kept and we have comprehensive data at our disposal only since 1888. But even so, a survey since then is very instructive. But before we look at the following table it is necessary to say a few words about the significance of strikes as an expression of working-class activity. Strikes are not only the most important sign of militancy in the labour movement, they are also the only statistical measure of the intensity of pressure and resistance which the workers show against the employers. For this reason, an analysis of the strike activity of the workers in a study like the present takes a prominent place in the pages devoted to a brief sketch of some important phases of the labour movement. (The reader must remember that the greatest revolutionary in this century, Lenin, based a considerable part of his analysis of the 1905 revolution on a detailed study of the strike movement.) At the same time it is necessary to remember that strikes are not the only expression of militancy, of a purposeful and well-guided labour movement. I do not know of any case in which the labour movement was militant and progressive while at the same time strike activity was low, but it is equally true to say that the militancy of the labour movement cannot and does not find exclusive expression in strike activities.

\* L.c. p. 409.

## ECONOMIC CONDITIONS AND STRIKE ACTIVITIES, 1888 TO 1914

<i>Year</i>	<i>Economic Conditions</i>	<i>Unemployment</i>	<i>Days of Strike Millions*</i>	<i>Percentage of Unsuccessfully striking Workers</i>
1888	Improving	Declining	—†	24.0‡
1889	Improving	Declining	—§	12.0
1890	Improving	Declining	7.3	25.9
1891	Recession	Increasing	6.8	34.8
1892	Crisis	High	17.4	19.9
1893	Crisis	High	31.2	12.1
1894	Improving	Declining	9.3	42.1
1895	Improving	Declining	5.5	27.9
1896	Improving	Declining	3.7	33.4
1897	Improving	Slight Incr.	10.3	40.7
1898	Improving	Declining	15.3	60.1
1899	Improving	Declining	2.5	43.7
1900	Recession	Increasing	3.2	27.5
1901	Crisis	Increasing	4.1	34.7
1902	Crisis	Increasing	3.5	31.8
1903	Depression	High	2.3	48.1
1904	Depression	High	1.5	41.7
1905	Improving	Declining	2.5	34.0
1906	Improving	Declining	3.0	24.5
1907	Improving	Slight Incr.	2.2	27.3
1908	Crisis	High	10.8	25.7
1909	Depression	High	2.8	22.3
1910	Improving	Declining	9.9	13.8
1911	Improving	Declining	10.3	9.3
1912	Improving	Slight Incr.	40.9	14.4
1913	Improving	Declining	9.8	18.8
1914	Recession	Increasing	9.9	14.9
	War			

This table demonstrates the marked virility of the labour movement in the early nineties, and even, one can say, up to the 1914-18 war. The years of crisis and high unemployment in the nineties did not damp the labour movement, nor, in particular, did it deter the trade unions from striking. On the contrary, strike activity increased in 1892 and 1893; it was higher during the crisis years 1901 and 1902 than during the two preceding years; it increased rapidly during the crisis year 1908 and remained on a high level during the years 1910-14,

\* Computed by multiplying the number of days struck and the number of men taking part in the strike.

† The number of workers striking was 119,000.

‡ The 1888 figure refers to the percentage of strikes which were unsuccessful, not to the percentage of workers which struck unsuccessfully.

§ The number of workers striking in 1889 and 1890 was 360,000 and 393,000.

following upon the depression of 1909. Moreover, the percentage of unsuccessful strikes was relatively very low during the crisis years 1892 and 1893; it was lower during the crisis years 1900 to 1902 than during the preceding years of increasing trade activity; and it remained on a low level during the crisis and the following years of increasing trade activity from 1908-14.

Labour's record during the twenty-six years under review is a good one. Many wage cuts planned by the employers were prevented through strike action; many wage increases and reductions in the working day were secured; and there is no doubt that had the labour movement, especially the trade unions, during this period, not been as active as they proved to be, the full impact of the new position of British capitalism would have been felt more acutely by the workers than was the case.

Then came the war and the collapse of the official labour movement. The shop steward movement in the later stages of the war came to the rescue of labour and, as the following table shows, there developed a new and active drive for better conditions.

#### ECONOMIC CONDITIONS AND STRIKE ACTIVITIES, 1914 TO 1922

<i>Year</i>	<i>Economic Conditions</i>	<i>Unemployment</i>	<i>Days of Strike Millions</i>	<i>Percentage of Unsuccessfully Striking Workers</i>
1914	Recession, War	Increasing	9.9	14.9
1915	War	Declining	3.0	14.1
1916	War	Very Low	2.4	29.8
1917	War	Very Low	5.6	13.3
1918	War	Very Low	5.9	22.1
1919	Improving	Increasing	35.0	23.9
1920	Improving	Stable	26.6	10.6
1921	Crisis	Very High	85.9	5.6
1922	Depression	Very High	19.9	12.5

During the war, we note that there was first a rapid decline in strike activity, the low point being reached in 1916, a year also when the employers were relatively most successful in defeating strikes and ending them without having to compromise. In 1917, the situation changed, strike activity increased up to 1919, had a slight relapse in 1920, and reached new heights during the crisis year, 1921, during which year also the employers were least successful in defeating strikes, although the workers usually had to be satisfied with compromise settlements. In 1922 strike activity fell rapidly.

Yet these figures do not tell the whole story. We must note that in 1920 the coal miners were responsible for 16.0 out of 26.6 million strike days, and these same miners in 1921 accounted for 72.0 out of 85.9 million days, while in 1919 there was a national railway strike accounting for 3.9 million days, a national strike of the cotton operatives accounting for 7.5 million days, and a miners' strike in Yorkshire accounting for 3.8 million days. We can then realize that the backbone of strike activity had really been broken by 1920, and that in 1920 and 1921 aggressive labour action was being prosecuted chiefly by one large union which seemed to have but small influence on the labour movement as a whole; the relatively high figure of 1922 is accounted for to the extent of two-thirds by the action of the engineers who struck for 13.7 men-days out of 19.9.

The vigorous pre-war years did not return. The labour leadership had been broken in by the ruling class during the war, and no new leadership was ready to take over and carry on to fresh and bigger struggles. The new militancy, which began in the latter years of the war, was soon suppressed, at least to some extent.

#### ECONOMIC CONDITIONS AND STRIKE ACTIVITIES, 1922 TO 1940

<i>Year</i>	<i>Economic Conditions</i>	<i>Unemployment</i>	<i>Days of Strike Millions</i>	<i>Percentage of Unsuccessfully Striking Workers</i>
1922	Depression	Declining	19.9	12.5
1923	Improving	Declining	10.7	23.1
1924	Improving	Declining	8.4	18.0
1925	Recession	Increasing	8.0	14.4
1926	Depression	Increasing	162.2	35.6
1927	Improving	Declining	1.2	30.6
1928	Recession	Increasing	1.4	39.3
1929	Improving	Declining	8.3	6.9
1930	Crisis	Very High	4.4	77.8
1931	Crisis	Very High	7.0	15.6
1932	Depression	Very High	6.5	47.3
1933	Improving	Very High	1.1	42.0
1934	Improving	Declining	1.0	32.7
1935	Improving	Declining	2.0	27.2
1936	Improving	Declining	1.8	49.6
1937	Improving	Declining	3.4	63.6
1938	Recession	Increasing	1.3	53.6
1939	Improving, War	Declining	1.4	51.2
1940	War	Declining	0.9	—

The picture which these figures reveal is a sorry one. The

year of the General Strike was an isolated one. The workers had not been trained to mass action. The years preceding the General Strike were years of declining strike activity. In 1923 no single strike involving one hundred thousand workers or more took place; in 1924 we have two strikes just reaching that figure: a short one of the dockers and a longer one of the building trade workers. In 1925, again we try in vain to find a strike of one hundred thousand or more workers. And then follows the year of catastrophe and treachery: the year of the General Strike. Full of enthusiasm, angered by the provocative economic policy of the Government, but unprepared and led by partly unwilling, and politically weak leaders (Thomas, MacDonald, etc.), the labour movement entered upon that gigantic venture to be beaten in nine days in spite of a magnificent response by the whole of the rank and file, by default of their own leadership. Of the 162·2 million strike days, only 15·0 are accounted for by the larger labour movement taking part in the General Strike, while the coal miners account for 145·2 million days; only one million strike days immediately precede or follow the General Strike. In the following years the labour movement seemed to have broken down completely. In 1929 there first appeared to be a revival, but the succeeding crisis, instead of bringing to the forefront the most militant labour leaders and stimulating real activity on the part of the trade unions\*—as was the case in so many former years of economic crisis—resulted only in a renewed decline of strike activity. After the crisis something unprecedented occurred: for seven whole years there was not a single strike involving at least one hundred thousand or more workers. It looked as though the British workers had forgotten how to strike, and that the labour movement had been dealt a death-blow. The history of the last two years, however, shows that a new leadership is emerging, basing itself to a large extent on the experience which the most advanced workers in

\* Trade union membership—which in 1900 had reached the two million mark and which, during the active years from 1910 to 1914 rose from 2·6 to 4·1 millions, and then during the war and after the active years up to 1920 reached a record figure of 8·3 millions—shrank rapidly after the break in labour activity in 1920; it fell to 5·5 millions in 1925 and since 1927 has remained below or just above the five million mark. Only in the last two years it has begun to rise again appreciably.

the Labour Party and the trade unions, in the Minority Movement and the unemployed workers' organizations, and in the Communist Party, had gained in their attempts to inspire labour with a spirit of militancy, the spirit necessary for a fight for better working and living conditions. Old barriers are breaking down. A new era in the history of British labour is beginning.\*

To-day all groups and parties of the labour movement are joined in one common goal: to beat the common enemy of international labour, of all the freedom-loving peoples: German Fascism.

## APPENDIX TO CHAPTER III

### 1900 TO THE PRESENT DAY

#### I. TABLES

##### 1. AN INDEX OF UNPRODUCTIVITY, 1880 TO 1939

(1880 = 100)

Year	Inroads on Labour Force through Unemployment (Full Labour Force equals 100)	Inroads in Labour Force through Unemployment and Over-Employment of Unproductive Forces	Percentage of National Income spent on Armaments	Index of Unpro- ductivity
1880	94.5	94	2.7	100
1881	96.5	96	2.3	98
1882	97.7	97	2.3	97
1883	97.4	97	2.6	98
1884	91.9	91	2.4	103
1885	90.7	90	2.7	105
1886	89.8	89	3.4	107
1887	92.4	91	2.7	104
1888	95.1	94	2.4	101
1889	97.9	96	2.2	98
1890	97.9	96	2.4	98
1891	96.5	94	2.4	100
1892	93.7	91	2.4	103
1893	92.5	90	2.4	105
1894	93.1	90	2.4	104
1895	94.2	91	2.6	103
1896	96.7	94	2.7	101
1897	96.7	94	2.6	101
1898	97.2	94	2.7	101
1899	98.0	94	4.0	102

\* A short and excellent outline of the history of the trade union movement since 1914 is given in Allen Hutt's book, *British Trade Unionism*, Chapters 6 to 10.

1. AN INDEX OF UNPRODUCTIVITY, 1880 TO 1939—*continued*

1800 = 100

<i>Year</i>	<i>Inroads in Labour Force through Unemployment (Full Labour Force equals 100)</i>	<i>Inroads in Labour Force through Unemployment and Over-Employment of Unproductive Forces</i>	<i>Percentage of National Income spent on Armaments</i>	<i>Index of Unpro- ductivity</i>
1900	97.5	93	6.8	106
1901	96.7	92	7.3	107
1902	96.0	91	6.4	107
1903	95.3	90	4.5	106
1904	94.0	90	4.3	107
1905	95.0	90	3.8	106
1906	96.4	91	3.3	105
1907	96.3	90	3.1	105
1908	92.2	86	3.2	110
1909	92.3	86	3.4	111
1910	95.3	88	3.4	108
1911	97.0	89	3.4	106
1912	96.8	89	3.3	107
1913	97.9	90	3.5	106
1914	96.7	88	19.4	129
1915	98.9	90	50.0	203
1916	99.6	91	56.3	231
1917	99.3	91	53.4	217
1918	99.2	91	40.0	169
1919	97.6	89	11.5	116
1920	97.6	88	4.5	109
1921	83.4	75	4.2	128
1922	85.9	77	2.8	122
1923	88.4	80	2.5	119
1924	89.8	81	2.6	117
1925	89.0	80	2.5	118
1926	87.7	78	2.6	120
1927	90.4	81	2.5	117
1928	89.3	80	2.4	118
1929	89.7	80	2.4	118
1930	84.2	75	2.4	126
1931	78.9	70	2.5	135
1932	78.1	69	2.4	136
1933	80.2	71	2.5	133
1934	83.4	74	2.4	128
1935	84.7	75	2.7	127
1936	87.1	76	3.5	125
1937	89.4	78	4.5	123
1938	87.5	77	7.0	129
1939	88.7	77	19.0	147

## 2. WAGE RATES IN INDIVIDUAL INDUSTRIES, 1900-1940 (1900 = 100)

<i>End of Year</i>	<i>Building</i>	<i>Coal Mining</i>	<i>Engineering</i>	<i>Textiles</i>	<i>Agriculture</i>
1900	100	100	100	100	100
1901	100	94	100	100	100
1902	100	88	100	100	101
1903	100	85	100	100	102
1904	100	82	100	100	102
1905	100	81	100	103	103
1906	100	83	101	106	103
1907	100	96	102	109	103
1908	100	93	102	109	104
1909	100	89	102	107	104
1910	100	90	102	107	105
1911	101	89	104	107	106
1912	102	94	105	111	107
1913	105	100	106	112	111
1914†	108	99	107	112	114
1915*	110	112	122§	120	128
1916*	120	127	134§	127	—
1917*	138	134	154	142	—
1918*	184	184	206	178	216¶
1919*	220	220	242	224	258**
1920‡	288	256	288	282	290**
1921	262	192††	265	225	234
1922	205	130	175	198	181
1923	199	139	172	198	181
1924	211	143	179	198	181
1925	212	143	179	197	199
1926	213	142	179	197	201
1927	214	130	179	196	201
1928	209	124	180	195	200
1929	208	123	180	187	200
1930	205	122	181	183	199
1931	201	120	181	178	196
1932	194	120	175	169	195
1933	188	120	175	169	193
1934	189	120	176	169	194
1935	193	120	181	167	200
1936	202	130	187	174	202
1937	211	139	196	181	212
1938	217	139	201	181	220
1939*	219	139	201	181	221
1940††	239	166	227	215	309

\* July figures for 1914 to 1920, and for 1939.

† The December figures are: Building, 108; Coal mining, 98; Engineering, 107; Textiles, 112; and Agriculture, 115.

‡ The December figures are: Building, 307; Coal mining, 282 (earnings fourth quarter); Engineering, 288; Textiles, 303; Agriculture, 297.

§ December figures.

|| April.

¶ August.

\*\* May.

†† Earnings fourth quarter.

‡‡ Estimate for October.



## 3. WAGES IN THE UNITED KINGDOM

(1900 = 100)

<i>Year End of</i>	<i>Gross Money Wages*</i>	<i>Net Money Wages†</i>	<i>Net Real Wages per Full-Time Week‡</i>	<i>Net Real Wages per Unemployed and Employed Worker</i>	<i>Cost of Living</i>
1900	100	100	100	100	100
1901	99	98	107	106	93
1902	98	96	98	97	100
1903	97	95	97	95	101
1904	97	93	96	93	101
1905	97	95	96	94	101
1906	99	98	98	97	101
1907	102	101	99	97	104
1908	102	96	97	92	105
1909	100	95	96	90	105
1910	101	98	95	93	106
1911	101	101	95	94	107
1912	104	101	93	92	110
1913	107	106	95	95	111
1914§	108	105	97	96	110
1915	116	116	83	84	138
1916	127	128	78	80	160
1917	149	149	74	75	198
1918	192	192	84	85	226
1919	230	227	98	98	231
1920¶	281	277	100	100	277
1921	227	197	100	92	215
1922	187	165	90	84	197
1923	184	165	90	85	195
1924	190	172	91	87	198
1925	191	172	94	89	194
1925	192	172	93	88	196
1927	188	171	97	92	185
1928	186	168	96	91	184
1929	185	167	96	91	183
1930	184	161	103	95	170
1931	179	148	104	91	162
1932	177	145	106	93	157
1933	176	147	105	94	157
1934	177	152	105	96	158
1935	178	154	103	95	162
1936	183	163	105	98	166
1937	191	173	104	98	176
1938	193	172	107	100	172
1939	197	178	98	94	190
1940	217	—	—	—	214

*For footnotes see p. 132.*

#### 4. PRODUCTION AND PRODUCTIVITY, 1880 to 1939 (1913 = 100)

<i>Year</i>	<i>Employment</i>	<i>Production</i>	<i>Productivity</i>
1880	70	55	78
1881	73	55	76
1882	74	59	79
1883	75	61	80
1884	72	59	82
1885	72	57	80
1886	72	56	78
1887	75	58	78
1888	77	63	81
1889	81	67	83
1890	81	67	82
1891	81	67	82
1892	80	63	80
1893	79	62	78
1894	81	66	82
1895	82	68	83
1896	85	72	84
1897	86	72	84
1898	87	75	85
1899	89	78	88
1900	89	78	87
1901	89	76	85
1902	90	78	87
1903	90	78	86
1904	89	77	86
1905	91	82	91
1906	93	86	92
1907	94	87	93
1908	90	82	91
1909	91	83	91
1910	95	87	91
1911	98	89	92
1912	98	91	93
1913	100	100	100
1914	100	93	93

*Footnotes to p. 131.*

\* Without taking into account wage losses and gains through short-time, unemployment, taxes, social insurance contributions, social insurance benefits, etc.

† Taking into account wage losses through unemployment and social insurance contributions (since 1912) and wage gains through unemployment insurance benefits (since 1921).

‡ Taking into account social insurance contributions.

§ The corresponding figures for December are gross money wages 108 and cost of living 110.

|| July figures for 1914 to 1920.

¶ The corresponding figures for December are: gross money wages 292 and cost of living 294.

4. PRODUCTION AND PRODUCTIVITY, 1880 TO 1939—*continued*

(1931 = 100)

Year	Employment	Production	Productivity
1920	102	91	89
1921	88	62	70
1922	91	77	84
1923	94	83	88
1924	96	88	92
1925	96	87	91
1926	95	(77)*	—
1927	99	94	96
1928	98	93	95
1929	99	99	100
1930	94	91	97
1931	89	83	93
1932	88	82	93
1933	91	87	95
1934	95	96	102
1935	98	103	106
1936	102	113	111
1937	108	121	113
1938	107	113	106
1939†	109	120	110

## II. SOURCES AND REMARKS

The most important book on the general economic conditions and trends of the period dealt with in Chapter III is Lenin's *Imperialism: The Highest Stage of Capitalism*. Labour conditions after the war are dealt with in an outstanding book by Allen Hutt, *The Condition of the Working Class in Britain*. On the problem of the distressed areas—created by the incapacity of monopoly capitalism to make use of the whole labour force even in times of relatively great trade activity, except in intensive preparation for war—Wal Hannington, *The Problem of the Distressed Areas* and Ellen Wilkinson's book *The Town that was Murdered*, are to be recommended.

The index of unproductivity is composed in the following way: unemployment figures were taken for the years 1880 to 1920 from the trade union statistics, published in the *Abstract of Labour Statistics of the United Kingdom*; for the years 1921 to 1939 from the *Ministry of Labour Gazette*, January 1940; inroads in labour force through over-employment of unproductive forces

\* Unreliable figure; general strike.

† First half of the year.

were computed by taking the adjusted census figures given in Bowley, *Wages and Income in the United Kingdom since 1860*, pp. 128-9, for all occupied persons except workers and farmers, and comparing the growth of this group with that of the working class; I then constructed an index of the growth of the first group of people assuming that they had grown at the rate the working class has grown, and the difference between the actual growth and this constructed growth was taken as the element of parasitism and decay; I assumed that between the census years the rate of growth in each group was annually the same; the percentage of national income spent on armaments was computed by comparing the official budget data on armament expenditure (April to March) with the national income (calendar year). The national income was computed as follows: for the years 1880 to 1914 I used the figures given by Bowley in his above-mentioned book; the five-year averages were re-computed into yearly figures with the help of Bowley's earlier yearly estimate of the national income ("Tests of National Progress," *The Economic Journal*, 1904) and his annual wage bill estimates in the above-mentioned book; for the years 1924 to 1937 I used Colin Clark's estimates given in his books *National Income and Outlay* and *The Conditions of Economic Progress*. For the years 1915 to 1923 and 1938 and 1939 I made estimates myself, except for 1918, when I used an estimate given in *The Economist* (September 30, 1939). The following table gives the figures used as national income data:

## ESTIMATES OF THE NATIONAL INCOME, 1880 to 1939

(Thousand Million Pounds)

Year	Income	Year	Income	Year	Income	Year	Income
1880	1·090	1895	1·450	1910	1·980	1925	4·710
1881	1·130	1896	1·490	1911	2·060	1926	4·525
1882	1·175	1897	1·550	1912	2·150	1927	4·720
1883	1·175	1898	1·630	1913	2·220	1928	4·710
1884	1·155	1899	1·705	1914	2·250	1929	4·765
1885	1·135	1900	1·785	1915	2·800	1930	4·700
1886	1·165	1901	1·785	1916	2·500	1931	4·265
1887	1·200	1902	1·745	1917	4·500	1932	4·210
1888	1·275	1903	1·750	1918	5·500	1933	4·335
1889	1·340	1904	1·710	1919	6·000	1934	4·710

ESTIMATES OF THE NATIONAL INCOME, 1880 TO 1939—*continued*  
(*Thousand Million Pounds*)

<i>Year</i>	<i>Income</i>	<i>Year</i>	<i>Income</i>	<i>Year</i>	<i>Income</i>	<i>Year</i>	<i>Income</i>
1890	1·360	1905	1·760	1920	6·500	1935	5·030
1891	1·370	1906	1·860	1921	4·500	1936	5·340
1892	1·355	1907	1·930	1922	4·000	1937	5·760
1893	1·365	1908	1·850	1923	4·200	1938	5·500
1894	1·405	1909	1·880	1924	4·375	1939	6·000

As sources for the rates of wages in individual industries I used for the years 1900 to 1921 the figures given in the *Abstract of Labour Statistics*; for the years 1921 to 1939 the figures given in the same source as well as the *Ministry of Labour Gazette* (for estimates for 1939 and 1940) and E. C. Ramsbottom, "The Course of Wage Rates in the United Kingdom, 1921-1934," *Journal of the Royal Statistical Society*, 1935; figures for later years are given in other issues of the same journal. Figures for 1940 estimated from the *London and Cambridge Economic Service Bulletins*.

The cost of living for the years 1900 to 1914 was computed on the basis of the figures given in the *Abstract of Labour Statistics* and assuming that rents increased up to 1904 by 0·1 shilling bi-annually, remained stable from 1905 to 1912, and increased again by 0·1 shilling in 1913 and 1914. For the following years I used the official cost of living index published in the *Abstract of Labour Statistics* and in *The Ministry of Labour Gazette*.

Social insurance contributions were estimated to amount to 1½ per cent for the years 1912 to 1920, to 5 per cent in 1921 to 1930 and 1936 to 1940, to 6 per cent in 1931 to 1935. Unemployment insurance benefits were estimated to be 40 per cent of the average wage losses suffered from unemployment during the years 1921 to 1930 and 1934 to 1940, and 35 per cent during the years 1931 to 1933.

The wage figures, if not otherwise noted, refer to the end of the year; the same holds true of the cost-of-living figures. Unemployment figures refer to the average for the whole year.

The index of productivity was computed by using the employment figures given by Bowley in his above-mentioned book, with estimates of my own for the years 1920 to 1923, and the official data given in *The Ministry of Labour Gazette* for the years 1937 to 1939. The production index used for the years 1880 to 1928

is that computed by Hoffmann, and for the years 1929 up to the first half of 1939 that of the Board of Trade.

As to the computation of relative wages and the share of capital, cf. sources and remarks to Chapter II. The figures used for the computation are:

(1900 = 100)

Cycles	Physical Volume of Industrial Production	Wholesale Prices	Retail Prices
1895-1903	97	89	96
1904-08	107	99	102
1909-14	117	108	108
1924-32	118	151	181

For the production figures I used the frequently mentioned index by Hoffmann; for wholesale prices, Sauerbeck's index and *The Statist*; for retail prices the cost-of-living index; for population data, the official census and the official yearly estimates; and for real wages, the data computed for this book.

The strike statistics are taken from the *Abstract of Labour Statistics* and from *The Ministry of Labour Gazette*.

Many data given in this chapter are of better quality than those in previous chapters, because the statistical apparatus of the Government has improved and because we have more material at our disposal. On the other hand, such data as those on the national income or the relative position of labour are nothing better than very rough approximations. Many important data are altogether missing, especially studies on industrial fatigue and the general question of the increase in the intensity of work. Special studies, based on the material of a single factory or even only a department of a factory, are of no general use, especially as they do no more than confirm what we already know: that intensity of labour has increased universally and considerably.

## CHAPTER IV

### LABOUR CONDITIONS DURING TWO WARS

It is instructive to study the development of labour conditions since 1939 not only by comparing them with pre-war conditions but also, and chiefly, by comparing them with the development of labour conditions during the last war.

War always brings a deterioration of labour conditions. Naturally, if an increasing amount of work and raw materials and machines is being spent on armaments, less and less is being left over for the production of "peace time goods," and if more and more has to go to a growing army with its altogether different standards of spending and consumption not only of arms, but also of consumption goods, then relatively less and less is left for the individual civilian consumer. This is true everywhere and in every big war; it is true to-day in the Socialist Soviet Union as well as in monopolist-capitalist Britain; it is true to-day when Britain wages a just war as it was true in 1914-1918 when she was waging a typical imperialist war.

But if we were only to investigate the question whether the standard of living and working of the British worker had deteriorated as compared with pre-war years, then we would not need to start a new chapter; a footnote, contested only by a few, would be quite sufficient. What we want to investigate in the following pages is not this question, but the amount of deterioration, the aspects of deterioration—and also certain aspects of an improvement of working and living conditions—and finally the changes brought about by the present war as compared with the previous one.\*

#### I. WAGES AND PURCHASING POWER

The first and most important individual factor we shall investigate are wages and their purchasing power. Let us begin with

\* I shall make much use for the study of present-day labour conditions of a pamphlet which Miss M. Heinemann wrote with me on the subject and which was published in the United States under the title: *British Workers in the War*.

wage rates. According to the computations of the Ministry of Labour and Professor A. L. Bowley, wage rates have developed as follows\*—the choice of the dates in the following table will be obvious if we realize that for these dates we also have statistics of actual earnings:

## WAGE RATES, 1938 TO 1943

(October 1938 = 100)

Date	Index
October, 1938	100
July, 1940	110½
July, 1941	118
January, 1942	122
July, 1942	124
January, 1943	126½
July, 1943	130

During the first nine months of the war wage rates increased by just about 10 per cent;† during the succeeding twelve months they rose by roughly 7 per cent, and during the eighteen months after that the rise was again only 7 per cent; since then the rise has been smaller still. That is, the war started with an average rise in wages of about 1 per cent per month; the rate then slowed down to little more than ½ per cent per month, and subsequently slowed down still further to little more than one-third of 1 per cent per month. How different were conditions during the previous war! Professor Bowley gives the following figures on wage rate increases at that time.‡

## WAGE RATES, 1914 TO 1918

(July 1914 = 100)

Date	Index
July, 1914	100
July, 1915	105 to 110
July, 1916	115 to 120
July, 1917	135 to 140
July, 1918	175 to 180

Here we can observe just the opposite tendency. The rate of increase of the wage rate was slightly less at the beginning of the

\* Cf. *Bulletin of the Institute of Statistics*, Oxford, vol. 6, No. 7.

† The index figure for August, 1939, is 100½; cf. *London and Cambridge Economic Service*, August 23, 1939.

‡ See A. L. Bowley, *Prices and Wages in the United Kingdom, 1914-1920*, Carnegie Endowment for International Peace, Economic and Social History of the World War, British Series; Oxford, 1921; p. 106.



war than in 1939-40—but then, instead of diminishing as during the present war, it increased from year to year, until in the year from July, 1917 to 1918 it reached about  $2\frac{1}{2}$  per cent per month.

The conclusion we can draw from this is that during the present war the rate of wages moved considerably less, was more stable than during the last war, and has tended during the course of the war to become more stable, whereas in the previous war it had the tendency to become more unstable.

But wages are only a very inadequate expression of what the worker brings home in his pay envelope. Let us first compare the wage rates and the gross earnings of the worker.\*

#### EARNINGS OF WORKERS, 1938 TO 1943

<i>Date</i>	<i>Index</i>
October, 1938	100
July, 1940	130
July, 1941	142½
January, 1942	146
July, 1942	160
January, 1943	165
July, 1943	176

If we compare the development of earnings and that of wage rates we seem to be dealing with the working class of two very different countries. Earnings show a rise between two and three times as high as rates. There has been a continued rise in the earnings of the workers. How is this to be explained? Why have earnings and wage rates moved so differently? And how does the rise in earnings during the present war compare with that during the previous one? To answer the last question first: we have no exact data on the development of earnings during the last war; but everything goes to indicate that earnings rose more than during the present war, although we cannot be sure that the relative rise—relative to the rates—was as high as during the present war.

The rise in earnings above rates is due to various causes. Firstly, there is the fact that the number of hours worked has increased as compared with 1938, bringing short-time work up

\* See, *Institute of Statistics*, Oxford, Bulletin, Vol. 5, No. 12, where Mr. J. L. Nicholson has published one of his many articles on wages, which become statistically better and socially more useful with every new issue of the Bulletin dealing with the subject, and Vol. 6, No. 7.

to full time work, and adding overtime work to full-time work. Secondly, overtime is paid relatively higher than normal time, and often special bonuses paid are included in the earnings, but not in the rates. Thirdly, workers have been shifted from low-paying industries to less low-paying ones, for instance from the textile industries to the engineering industries. One factor must be mentioned which makes for a decline of earnings relative to wage rates, and that is the increase in the number of women workers as compared with men.\* But this latter factor does not play any serious role—Nicholson estimates its effect over the whole period from October, 1938, to July, 1943, at about 2 per cent. There are two reasons for the surprisingly small influence of this factor: the one is that the percentage of female wage earners has, in spite of the general growth in the employment of women, not increased very much, and secondly (less important) that average wages of women and especially of juveniles have risen more than those of men. In fact, the influence of the different sex-age group composition of the working force in industry is so small that I shall completely ignore it in the following table which gives a survey of the actual percentage influence of the various factors upon the increase of earnings:

IMPORTANCE OF VARIOUS CAUSES FOR THE RISE IN  
EARNINGS, 1938 TO 1943

<i>Period Ending</i>	<i>Rise due to Increase of Wage Rates Per cent</i>	<i>Rise due to Shifts between Industries† Per cent</i>	<i>Rise due to Overtime and Special Bonuses, etc. Per cent</i>
October, 1938	0	0	0
July, 1940	10½	4	14
July, 1941	18	2	18
January, 1942	22	4	16
July, 1942	24	4	24
January, 1943	26½	6	23
July, 1943	30	8	25

During the first year of the war it was the increase in the hours of work and special bonuses which had the greatest influence in

\* The percentage of juvenile workers employed has probably declined slightly and this has an effect on average wages contrary to that of the increased percentage of women employed—but the effect is almost nil during the years under review.

† Underestimates, as the figures are somewhat depressed by including the decline due to changes in the sex-age composition of the workers.

raising earnings. Up to July, 1941, the influence of the rise in wage rates and that of the rise in the number of hours worked, etc., was about equally great. During the following year, up to July, 1942, the weight of the influence of these two factors was fluctuating but about equally important. Since then the rise in wage rates has again won increasing influence. For July, 1943, Nicholson gives the following exact percentages, taking into account the influence of the changes in the sex-age composition of the working force:

<i>Increase of Average Earnings</i>	..	..	..	75·7 per cent
Due to rise in wage rates..	..	..	..	30·0 per cent
Due to overtime, etc.	..	..	..	27·3 per cent
Due to shifts between industries	..	..	..	7·8 per cent
Decline due to change in sex-age composition..	..	..	..	1·5 per cent

If we investigate the development of wages by age and sex we have again to be satisfied with a few indications as to the course of the development during the previous war, while we have satisfactory material for the present war.

#### AVERAGE EARNINGS BY AGE AND SEX, 1938 to 1943\*

<i>Year and Month</i>	<i>Men</i>		<i>Youths and Boys (below 21 years)</i>		<i>Women</i>		<i>Girls (below 18 years)</i>		<i>All Workers</i>	
	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>
October, 1938	69	0	26	1	32	6	18	6	53	3
July, 1940	89	0	35	1	38	11	22	4	69	2
July, 1941	99	5	41	11	43	11	25	0	75	10
January, 1942	102	0	42	6	47	6	26	10	77	9
July, 1942	111	5	46	2	54	2	30	3	85	2
January, 1943	113	9	45	1	58	6	32	1	87	11
July, 1943	121	3	47	2	62	2	33	10	93	7

#### AVERAGE EARNINGS BY AGE AND SEX, 1938 to 1943\*

(October, 1938 = 100)

<i>Year and Month</i>	<i>Men</i>	<i>Youths and Boys</i>	<i>Women</i>	<i>Girls</i>	<i>All Workers</i>
October, 1938	100	100	100	100	100
July, 1940	129·0	134·5	119·7	120·7	129·9
July, 1941	144·1	160·7	135·1	135·1	142·4
January, 1942	147·8	162·9	146·2	145·2	146·0
July, 1942	161·5	177·0	166·7	163·5	159·9
January, 1943	164·9	172·8	180·0	173·4	165·1
July, 1943	175·7	180·8	191·3	182·9	175·7

\* Cf. *Ministry of Labour Gazette*, February, 1944.

The highest increase in earnings was that for women aged eighteen and over, while wages for men increased least; the wages of boys and girls increased about equally. And yet, it is surprising, not that the wages of women rose more than those of men, but that they rose by so little more, for in October, 1938, women's wages were slightly less than half men's wages, and in 1943 they were only slightly more than half men's wages. Even this rise in women's wages is still exaggerated because a considerable part of the lessening of the difference between the wages of women and those of men is due to a shifting of the women to industries which always have paid higher wages to women—if they employed women at all. If we leave out of account the shifting within industry as a whole, then we find that the wages of women have not increased most, that they have increased relatively less than those of boys and girls, that they have increased almost exactly as much as those of men—the slight difference in favour of women making almost no difference at all. This shows that *the situation of women in industry has actually not changed at all*. The small number of women (among the many who do a man's work) who get the wage for the job and not the wage for the sex hardly count. *This is a very serious matter for women as well as for the whole working class*. For this means not only dilution—a matter of urgent necessity if we want to win the war as quickly as possible—but it makes for *disintegration of the wage structure, it makes dilution not a matter of progress but inoculates it with elements of retrogression*. The more the working class must be in favour of dilution of the job and of the working process if it makes for more efficiency in the struggle against Fascism, the more watchful the working class must be against the disintegration of the wage structure which has taken place during the present war.

And what is even more serious is the fact that, according to all evidence, we have this dilution of the wage structure taking place to a greater degree than during the last war. During the war of 1914–1918, from which the working class had nothing to gain, the wage structure became less corroded than during the present one. According to the material assembled by Bowley\* we get the impression that during the last war the wages of women rose very much more than those of men. If we look at the wages

\* L.C., chap. xv.

controlled by Trade Boards we find that the rates of men rose between July, 1914 and July, 1918 by 18 to 33 per cent, while those of women rose between 33 and 58 per cent.

If we investigate the development of wages of juveniles we find that they have experienced a genuine relative increase of wages, definitely not so insignificant as that of women. Their relative earnings have risen within the same industry by roughly 20 per cent more than those of men—the latter having risen since October, 1938, by about 64 per cent, while those of boys and girls have risen by 73 and 76 respectively. No reliable data for the last war are available for the purposes of comparison.

There is, however, one further factor which we must take into account: the difference in the increase in the number of hours worked by men and women. The working day of men has increased more than that of women between October, 1938, and July, 1943. This leads to a relative increase of weekly wages of men for two reasons: more hours of work, and more hours paid at overtime rates. Looking upon wages from the point of view of "the rate for the job," both facts make the position of women appear more unfavourable than it actually is. This is, however, not sufficient to invalidate our above statement on the relatively unfavourable development of the wages of women, especially as we have not taken into account the fact that women have, within the same industry, taken on more skilled work.

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Up to now we have dealt only with money wages.\* How have

\* One critic of the manuscript to whom I owe much remarked on the lengthy treatment of money wages: "I don't like the very detached treatment of money wages and earnings before you deal with prices. I don't see that in relation to last war the figures mean anything till you know what was happening to prices." This is a most interesting comment as it shows a very serious under-estimate of the information which money wages can give us. Apart from the information we extracted on the development, for instance, of the wages of men and women, one should realize the following important fact: if real wages remain stable, this may either be due to stability of money wages and prices (which happens quite often) or it may be due to the fact that money wages rose just as much as prices, a rare occurrence and usually indicating a considerable strength of the labour movement. This example alone should be sufficient to prove the importance of a careful study of money wages by themselves.

wages developed as compared with the cost of living? The official cost of living index has during the period under review developed as follows :

THE COST OF LIVING, 1938 to 1943

<i>Year and Month*</i>	<i>Index</i>
October, 1938	100
July, 1940	121
July, 1941	128
January, 1942	129
July, 1942	129
January, 1943	128
July, 1943	129

The cost of living rose considerably during the first nine months of the war (in August, 1939, the index was exactly the same as in October, 1938); during the following twelve months it rose only slightly, and then remained about stable. Such stability during many years of war is not only surprising but favours the working class in so far as it facilitates for them the task of watching over the development of real wages. And such a development is very different from that which occurred in the previous war when the cost of living index moved as follows:†

THE COST OF LIVING, 1914 to 1918

<i>Year and Month</i>	<i>Index</i>
July, 1914	100
July, 1915	125
July, 1916	145
July, 1917	180
July, 1918	205

During the first year of war the cost of living moved very similarly, both in 1914-1915 and in 1939-1940—it increased between one-fifth and one-quarter. But then a very great difference set in. Although in the case of the previous war the rate of increase of the first war year (1914-1915) is not maintained in the second, it is equalled in the third, and in the fourth war year the cost of living rose to twice the height it had reached in 1914, while in 1943 it is, as in the preceding years, somewhat less than 30 per cent above the August, 1939, level.

But—one is almost inclined to say “of course,” as the official cost of living indices are at all times a subject difficult to approach without biting criticism—the official cost of living index is not

\* 1st of the month.

† Bowley, I.C. p. 106.

an accurate reflection of the course of prices of the goods which the worker buys. This is no original statement—even the Ministry of Labour which computes the index remarks: “no allowance being made for any changes in the standard of living since that date” (August, 1914!—J. K.), “or for any economies or readjustments in consumption and expenditure since the outbreak of the war” (this means the present war.—J. K.).\*

That the official index was already inadequate during the last war was obvious to many even then, and so some tried to make corrections. It is typical of the state of labour statistics (political as well as technical) that the only “serious” attempt to correct the official index was that of Professor Bowley,<sup>†</sup> and that he came to the conclusion that the cost of living for the workers had risen less than was officially assumed. He argued that the worker could not buy many things in the quantities in which he could buy them in peace time, and thus the quantities were cut down by Bowley with very slight additions for other goods. Consequently the index of the cost of living, as computed by Bowley, increased considerably less than the official index, while in reality the cost of living for the workers increased more than the official index. It is all the more interesting that under the guidance of Professor Bowley the Oxford Institute of Statistics is trying to compute an improved cost of living index which shows during the present war an increase in the cost of living greater than that of the official index—a sign that it approaches reality in contrast to the escape from reality a quarter of a century ago. The actual computations of the corrected cost of living index during the present war were made by J. L. Nicholson, who makes the following criticism of what he regards as the chief shortcomings of the official index:‡

“The Ministry of Labour’s cost of living index, during this period, suffers from two main deficiencies. On the one hand subsidies have been mainly applied to foods which are included in the index; and particularly, it appears, to foods which are overweighted in comparison with their relative importance in general expenditure. On the other hand, indirect taxes have

\* Always put into the monthly statement in the *Ministry of Labour Gazette* on the development of the cost of living.

† L.c. chap. iv.

‡ L.c. vol. 4, No. 17.

been imposed on tobacco and drink which are not adequately represented in the index. As a consequence, the index fails to give an accurate reflection of the general price level."

Nicholson has tried to correct these faults, and gives the following comparison of the official and his corrected index :\*

THE COST OF LIVING, 1938 to 1942

<i>Year and Month</i>	<i>Index</i>	
	<i>Official</i>	<i>Revised</i>
October, 1938	100	100
July, 1940	119	120
July, 1941	127†	133
October, 1942	128	140

These figures give a very different picture from that in the previous table. They show that instead of remaining about stable—as the official cost of living index indicated—prices have gone up continuously from year to year. And the increase up to the present has by no means been negligible, even after the serious rise in the first year of the war. Yet, this corrected table also indicates a fundamental difference between the development of the cost of living in this war and the last: the rate of increase was, during the last war, not exceptional during the first war year, and it did not show a decided tendency to become smaller, being for instance between July, 1916, and July, 1917, roughly the same as between July, 1914, and July, 1915; during the present war, however, also according to the revised figures of Nicholson, the rate of increase has had a tendency to decline, in fact it has declined by roughly half from year to year up to the present time. If we adjust the most recent computations by Nicholson † for the periods for which we have data on earnings, we get the following index of the cost of living during the present war:

COST OF LIVING, 1938 to 1943

<i>Year and Month</i>	<i>Index</i>	
	<i>Official</i>	<i>Revised</i>
October, 1938	100	100
July, 1940	119	120
July, 1941	128	136
January, 1942	129	138
July, 1942	129	143
January, 1943	128	145
July, 1943	129	150

\* L.c. vol. 4, No. 17.

† L.c. vol. 6, No. 10.



If we now compare average actual earnings with the revised cost of living index, we arrive at the following result:

# MONEY EARNINGS, COST OF LIVING AND REAL WAGES,

1938 TO 1943

(1938 = 100)

<i>Year and Month</i>	<i>Money Earnings</i>	<i>Cost of Living</i>	<i>Real Wages</i>
October, 1938	100	100	100
July, 1940	130	120	108
July, 1941	142	136	104
January, 1942	146	138	106
July, 1942	160	143	112
January, 1943	165	145	114
July, 1943	176	150	117

From this table we get the impression that real wages have increased not inconsiderably during the war. In 1943 they were, according to this table, about one-sixth higher than before the war. But we have up to now neglected one most important factor which nobody has taken into account when computing a cost of living index, and that is the enormous increase in direct taxation. Curiously enough, taxes seem to be regarded as expenditure of the worker to be met by him without any inroad into his expense budget. Mr. Nicholson estimates\* that direct taxation of wages before the war did not play any role, that direct wage deductions amounted to about 3 per cent of earnings in 1940, and 7 per cent in 1941. If we use the figures he gives in another study for the total wage bill and the figures of income tax liabilities and social insurance contributions,† we arrive at the following deductions which must be made for additional direct taxes and additional social insurance contributions:‡

1940	2 per cent
1941	6 per cent
1942	8 per cent
1943	9 per cent

If we apply these deductions we arrive at the following development of real wages:

\* *Bulletin*, vol. 4, No. 17.

† *Bulletin*, vol. 6, No. 10.

‡ The percentage varies sometimes considerably over the year—before and after the new budget. It is very much higher for skilled unmarried workers—so high in fact, that their payment, before the pay-as-you-earn legislation, often left them for many months in a very precarious position.

## NET REAL WAGES, 1938 TO 1943

<i>Year and Month</i>	<i>Net Real Wages</i>
October, 1938	100
July, 1940	106
July, 1941	98
July, 1942	103
January, 1943	104
July, 1943	106

These figures look quite different from those given in the previous table: they indicate that net real wages have fluctuated not inconsiderably from year to year, that in 1941 they were about 2 per cent below 1938, and in the other years between 3 and 6 per cent above the 1938 level. But even these figures are still too high—only nobody knows by how much. Nicholson has made some estimates of the increase in the cost of living due to rationing and shortages and used highly ingenious methods to arrive at such estimates. But I do not think that he has been successful in measuring the effects of rationing and shortages. While it is truly impossible to go further in bringing real wages nearer to reality in terms of figures, it is necessary to mention these factors (rationing and shortages) in order to make it clear that real wages—because of the shortage in housing alone,\* I would say—are below the 1938 level.

But while it is not possible to compute actual net real wages, while we must content ourselves with the statement that real wages are somewhat below the 1938 level, this already is a very significant fact. During the war 1914–1918 the situation was different, as the following table will show:†

## WAGES AND COST OF LIVING, 1914 TO 1918

<i>Year and Month</i>	<i>Wage Rates</i>	<i>Cost of Living</i>
July, 1914	100	100
July, 1915	105 to 110	125
July, 1916	115 to 120	145
July, 1917	135 to 140	180
July, 1918	175 to 180	205

While it is true that the wage index is an index of rates and not of earnings, it is equally true that the cost of living index is

\* Rents have officially not increased, but the actual prices which the workers in blitzed or over-crowded quickly grown armament towns have to pay are sometimes very considerably above those paid in 1938, especially since the prices for furnished rooms are not controlled.

† Bowley, *l.c.* p. 106.

the official one, and therefore absolutely inadequate in showing the real rise in the cost of living. And while Nicholson\* with his formula arrives at a decline of average net real wages below the 1938 level of 4 per cent in 1940, of 11 per cent in 1941 and of 6 per cent in 1942—it is obvious to all students of labour conditions that real wages in the previous war declined more than they have done during the present war. While real wages have also declined during the present war, this decline has been smaller than during the last war.

In conclusion one can summarize the development of real wages :

*The real value of what the worker got from his work and could actually use for his living was smaller during the war than before the war; there is no evidence that the decline in the real value continued after 1941; on the contrary, it is not improbable that the summer of 1941 is up to now the lowest point in real wages for the workers. While real wages have declined as compared with the pre-war years, they have not declined as much as during the last war.*

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There remain, however, two important questions to be answered: how do actual wages compare with the actual cost of living? Wages may decline from a standard which assures a decent and healthy life, and they may decline from a standard which is below such a level—and, furthermore, real wages, during a war, may change slightly, and the actual standard of life may change considerably because of considerable changes in the amount and quality of goods available for consumption.

The Labour Research Department has made a valuable attempt to compute a cost of living minimum† “to enable us to assess the wage necessary for physical efficiency,” as B. Seeborn Rowntree formulates it.‡ The Labour Research Department arrives, for April, 1942, at a minimum of 100s. per week which is needed for the British war worker (with his long hours of work and doing heavy work) to raise a family with three children. This is, by the Labour Research Department, rightly called a

\* *Bulletin*, vol. 5, No. 7.

† See *Wages in 1942, Facts and Figures for Trade Unionists*, published by Labour Research Department.

‡ *The Human Needs of Labour*.

"rock-bottom minimum standard." If we add to this the increase in the cost of living between April, 1942 and the average for 1943, we arrive for 1943 at a cost of living minimum of about 105s. per week.

If we now compare the average wages of men in various industries, as published in the *Ministry of Labour Gazette*\* with this minimum, then we find that the following industries paid, on the average, a worker sufficient to raise a family with three children on his own earnings:

Treatment of non-metalliferrous mine and quarry products  
Chemical, paint, oil, etc.  
Metal, engineering and shipbuilding  
Paper, printing, stationery, etc.  
Building, contracting, etc.  
Government industrial establishments

In the following industries the wages of adult male workers reached 80 to 99 per cent of the minimum:

Brick, pottery and glass  
Textiles  
Leather, fur, etc.  
Clothing  
Food, drink and tobacco  
Woodworking  
Transport, storage, etc. (excl. railways)  
Mining†  
Public utility services

In the following industries the wages reached less than 80 per cent of the minimum:

Agriculture†  
Public utility services‡

Only four large industries reached or passed the existence minimum for a family. This does not mean that only the workers in these industries could live on the minimum standard. For

\* June, 1943, and February, 1944.

† Not included in the Ministry's survey.

‡ Beginning of 1943.

firstly, there are many workers who have no family or a family with less than three children; secondly, there are many workers' families where not only the husband but also the wife earns something and perhaps also the children. Nor does it mean that all workers in these industries can live on this minimum, because a good number of them have more than three children or other dependants. Moreover, the above wage-existence minimum relations refer to each of these industries as a whole but not to all individual branches. In the paper, printing, etc., industries only one of the four individual branches into which this group is subdivided by the Ministry paid, early in 1943, the existence minimum: printing, publishing and bookbinding.

On the other hand, in a number of other industries which on the average pay less than the minimum, there are some branches which pay more than the minimum—but not many! There are in July, 1943, three, for instance, in the textile industry and in food, drink and tobacco, two in clothing, one in leather, etc.

On the whole, it can be said, that the great majority of the workers have to live below the minimum if only the husband earns and the family consists of man, wife and three or more children. And, it should be added, if all the circumstances are taken into account—the wife working, a smaller number of children in many families, etc.—even then the majority of the working people live to-day below this minimum. That is, the working class is not able to restore fully its own working strength and to rear a new generation which will be healthy, and later to work with full strength. Wholly satisfactory conditions are not to be expected during a war. Conditions were probably worse during the last war. And conditions are, in this respect, undoubtedly worse, for instance, in the Soviet Union to-day. The decisive question for the present rather is: are the means of living available to-day distributed in such a way that those who need them most get most? This must be clearly denied. *The workers doing heavy and very heavy work in 1943 are much less well nourished than the food-stuffs available would warrant. There can be no doubt that in respect of food, the German miner, for instance, is better off in 1943 than the British miner, with serious consequences for the relative coal output in the two countries, that is, for our fight against Fascism.*

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Under war conditions it is possible that a considerable section of the working class do not spend the whole of their earnings, but save part of them for patriotic reasons. That is, the development of real wages does not fully reflect the development of the standard of living of the workers. While it is not possible to compute exact figures of working class consumption, it is advisable to study in this connection the computations by J. L. Nicholson\* for the development of consumption of the whole of the population. Nicholson's figures are based on the best source available, the Government White Paper, "An Analysis of the Sources of War Finance and an Estimate of the National Income and Expenditure in 1938, 1940, 1941 and 1942." The index numbers of consumption, according to these sources, have developed as follows:

## CONSUMPTION

(1938 = 100)

<i>Categories</i>	<i>1940</i>	<i>1941</i>	<i>1942</i>	<i>1943†</i>
Food .. ..	88	83½	86	80
Drink and Tobacco ..	98	104	103	103
Rent .. ..	103	102	101	101
Fuel and Light ..	93	96	96	92
Clothing ..	85	61	59	60
Remaining Items ..	78	70	69	66
Total Consumption	88	82	82	79

Nicholson then goes on to make a somewhat "hypothetical adjustment" for the effects of rationing and shortages and arrives at the following final index of total consumption:

## TOTAL CONSUMPTION, 1938 TO 1943

<i>Year</i>	<i>Index</i>
1938	100
1940	86
1941	79
1942	79
1943†	76

Consumption has, thus, declined by about one quarter since 1938. It has declined more for the skilled than for the unskilled and more for the employed than for the formerly unemployed workers—in fact for the last-named consumption has undoubtedly

\* *Bulletin*, vol. 5, No. 10, and No. 14.

† My estimate.

increased; it has declined most in the case of all those who receive to-day the same pension or benefit as before the war, or only very little more, such as the aged workers, the invalids of labour, and so on. It is doubtful whether consumption of clothing has fallen as much for the workers as the above figures indicate, as rationing has undoubtedly cut much deeper into the clothing budget of the rich. The same holds true, perhaps, for food, but in this case the difference between the decline indicated in the above table and the actual decline cannot have been very great. In a number of respects the decline has been considerably greater than the above tables indicate: usually due to a deterioration in the quality of goods which is not reflected in the above tables.

In conclusion we can say: the standard of living of the workers has declined for the average of all workers during the present war; the section of the workers who live better to-day than before the war are the formerly unemployed workers, and many workers where more family members are working than before the war, a total of at least three to four millions.

The standard of living of the workers has declined less during the present war than during the preceding war.

While a decline of the standard of living is to be expected in every country engaged in a big war—whether the war is a predatory or a just one—the decline can be distributed over the whole population, and more specifically over the working class, either in a progressive or in a reactionary way. *There can be no doubt that the distribution of available goods is better to-day after four years of war than either at the beginning of the present war or than during the whole course of the last war. At the same time it must be pointed out that conditions are by no means as well as they could be, that there are still sections of the population who get much more than corresponds to their share in the war effort, and there are some sections among the workers who, as measured by their especially hard work (miners, blast-furnacemen, etc.), get considerably less than they ought to, on the basis of the means of living available. To those who get less than they ought to, on the basis of the means available, must be added the aged and the invalids of labour.*

## 2. EMPLOYMENT AND UNEMPLOYMENT

One of the most difficult tasks in a war is the distribution of man-power between the armed forces and the industries providing them with weapons, and between the industries producing goods necessary for the upkeep of the working strength of man-power and the industries providing the weapons. Formerly, when wars were "less total," this problem did not play a great role, as the nation's effort spent on the war either was very much smaller than to-day or—as for instance in the wars of the Revolution on the French side (end of the eighteenth century)—the amount of weapons needed by an army was not very great as measured by the working power of a nation. The problem became real and serious only during the last war, and in the present war all countries have acted on the basis of experience gained during the last war.

The direction of man-power requires a very considerable restriction of the personal freedom of movement of the individual worker. While during the last war the first serious inroads into this freedom of the civilian worker were made only in July, 1915 (The Munitions of War Act, 1915), the first measures of importance in the present war were taken at once, and by June, 1940, that is nine months after the beginning of the war, many of the most important man-power measures had been taken. The measures taken in 1939 and 1940 referred not only to the freedom of movement of the civilian worker, but also to the right of the worker to work in a certain industry and to the right of a person engaged otherwise than as a wage earner to continue in his profession. That is, the civilian could henceforth be ordered to any kind of work, whatever and wherever the job.

In the following we shall see how the composition of the working force of the nation changed during the last and during the present war.\*

Britain entered the war in 1939 with about 16 million wage

\* For the development during the war 1914-1918 see, apart from such official publications as *The Board of Trade Journal* (especially March 6, 1919) and the *Abstract of Labour Statistics of the United Kingdom*, Humbert Wolfe, *Labour Supply and Regulation*, Carnegie Endowment for International Peace, *Economic and Social History of the World War*, British Series, Oxford, 1923.



and salary earners, usually employed full time. But not all of them were actually able to work:

Unemployed before the war	..	..	1,500,000
Sick before the war	..	..	500,000
On strike	..	..	37,000
Total number of workers not employed			2,000,000

The total active labour force with which Britain entered the present war, therefore, was around 14 millions, of whom roughly 4.2 millions were women. But these figures do not give the total population which could be mobilized for work of some kind. While the male population between the ages of 14 and 64 was to a very large extent occupied, the women were occupied full-time, if we exclude in this connection the performance of home duties by housewives, to little more than one-third—about 6.5 million women out of somewhat less than 17 millions being occupied.

The chief reserve of new man power for the war were the women. A further very important source was the re-distribution of man-power actually already somehow employed; a third important source was the employment of younger people and the retention of older people. Finally, a very important additional source was the lengthening of the working day. Through intensive as well as extensive methods the working power could be increased very considerably. And then, there is one further source of man-power which cannot be over-estimated in its importance, and which, in many respects, is playing in the Soviet Union perhaps the greatest role: and that is the increased performance per worker because of his interest in the war effort. This interest may objectively conflict with his own real interest as it did in the first period of war enthusiasm of the misguided workers of the war of 1914-1918, or it may correspond to his real interest as it does to-day in the allied countries. But whether it is misguided or not, its importance is very great, and if it corresponds to his real interests it is not only great but sustained.

Let us study in more detail what results the various methods of recruiting man-power have had during the present war as far as this can be done under the statistical blackout, and the additional handicap of dealing in part with matters which can be measured

\* Including domestic service, etc.

only with the greatest difficulty even under ideal conditions.

The absorption of the unemployed was relatively slow at first. This was due largely to inefficient handling during the first months of the war of the problems involved. In July, 1939, there were a number of people unemployed who were no longer counted officially as unemployed, but who in the course of the war found work. I have estimated them as roughly 200,000 in July, 1939, giving above an unemployment figure of 1.5 millions as compared with the official one of 1,326,134 for Britain (Great Britain and Northern Ireland). It is highly probable that their number declined more slowly than that of the officially recognized unemployed. If the official statistics indicate a decline of unemployment from 1.33 million in July, 1939, to 775,000 in December, 1940, unemployment had in fact probably declined even less. Thus, the number of unemployed declined even less than the official figures indicate, and even the official figure at the end of 1940 was still too high to speak of a serious and successful effort on the part of the Government to cope with unemployment. It was only in the second half of 1941 that it could be said that unemployment had reached a level commensurate with a serious war effort in the direction of man-power. By the end of 1941 the total number of unemployed was little over 200,000, and one year later it was around 100,000.

During the last war, the absorption of the unemployed was much quicker at first than during the present war—unemployment before the outbreak of the war being considerably lower than before the outbreak of the present war: 3.6 per cent in July, 1914, as compared with 8.5 per cent in August, 1939.\* During the second half of 1915 the percentage of unemployment had declined to 0.9, one quarter of the pre-war level, while by the end of 1940 it had declined by only half. In the course of 1916 unemployment again declined by almost 50 per cent in the previous war, reaching a percentage of 0.5 in the second half of 1916; that trend had reached its full extent; it did not decline further in the course of that war. During the present war, the chief effort in drawing the unemployed into the war effort was

\* These figures are not strictly comparable; but they are sufficient for purposes of a rough comparison.

made only in 1941, and the decline in unemployment continued during 1942 and 1943, while in 1917 and in 1918 unemployment was around the 1916 level.

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The employment of women has increased not inconsiderably during the present war—just as during the previous one. Wolfe\* estimates that the total number of women drawn into work on the civilian side from 1914 to 1918 was over 1,500,000. But he does not cover all occupations. As the number of domestics, for instance, declined, it is more probable that the total number of women additionally mobilized for work in civilian occupations increased only from 5.0 to 6.3 millions.† The number of women serving in the army was relatively small—less than 100,000. How many more women are to-day employed on the home front than in 1939?‡ No official statistics have been published. But from occasional ministerial speeches one gets the definite impression that their number is less than 2,000,000. *That is, the number of women additionally employed in civil occupations to-day is probably not much greater than during the last war.* How is this to be explained?

The total number of women employed as wage or salary earners outside domestic service in July, 1914, can be estimated at rather more than three and a quarter millions, as compared with roughly five millions in July, 1918. To this must be added the relatively small number of women employed by the military authorities. The total number of women employed in July, 1939, as salary and wage earners outside domestic service was about four and a quarter millions, and to-day it is at best six and a quarter millions. The difference in the number of women employed as wage and salary earners, especially if the growth of the population is taken into account, is not very great in the two wars. During the present war, however, many more women are employed by the military; one can estimate their number at more than half a million. But even this number is not a full gain over the last war, as then there were also some women

\* L.c. p. 77.

† See also D. M. Barton, "The Course of Women's Wages," *Journal of the Royal Statistical Society*, July, 1919.

‡ In comparing conditions during the last and during the present war, the change in the age composition of the population does not play any serious role.

employed by the military authorities. On the whole, one can say, that Britain has mobilized about two and a half million women as wage and salary earners and for the military authorities,\* in addition to the roughly four and a quarter million women employed during the last pre-war month. In the previous war the total additional mobilization of women power for these purposes was perhaps one and three-quarters of a million in addition to a pre-war women contingent of over three and a half millions. The total number of women working in such jobs is to-day, after more than four years of war, over seven millions as compared with over five after four years in the last war: undoubtedly an achievement. But the reservoir of man-power, presented by women, is still by no means exhausted. Given the necessary pre-requisites, such as crèches and more British restaurants or other forms of feeding the people without bothering every woman individually about it, the additional labour power to be gained from the women's reservoir can still be increased.†

The relative size of the additional amount of women-power mobilized in this war as compared with the last can be gauged by studying the percentage of women employed in important industries. Nicholson‡ has made, in this field of labour conditions too, a highly interesting study, giving for the middle of 1942 and 1938 comparative figures of employment in the industries covered by the regular wage surveys of the Ministry of Labour (that is all important industries, with the exception of mining, railways and agriculture). Before we study the general figures, it is interesting to study those for engineering, one of the most important war industries.

#### PERCENTAGE DISTRIBUTION OF WORKERS IN ENGINEERING INDUSTRIES

<i>Period</i>	<i>Men</i>	<i>Youths</i>	<i>Women</i>	<i>Girls</i>
July, 1938	67½	17	11½	4
July, 1942	63 to 61½	16 to 12	15 to 22½	6 to 4

\* Less those who left domestic service for other occupations.

† Although it must be realized that after a certain point has been reached in mobilizing women, the amount of woman power absorbed by crèches in relation to the number of women (with several children) freed for work is considerable.

‡ *Bulletin*, vol. 5, No. 5.

This table is immensely interesting. Firstly, it shows that *the percentage of men employed in engineering has changed very little as compared with pre-war years*: at most, it has declined from somewhat more than two-thirds to somewhat less than two-thirds. The percentage of women which was very small in 1938 has at best been doubled, increasing from  $11\frac{1}{2}$  to  $22\frac{1}{2}$  per cent.

From the study by Wolfe\* we can get roughly comparable figures for the previous war. According to Wolfe the total number of people employed in engineering (called by him "metals, including engineering, etc.") was:

In 1914 1,804,000

In 1918 2,418,000

His figures for the employment of women in the same industry are:

170,000 in July, 1914

594,000 in July, 1918

From this we can compute the following percentage figures which we set beside those for 1938-1942, reckoning youths as men and girls as women:

EMPLOYMENT OF MEN AND WOMEN IN ENGINEERING  
PERCENTAGES, 1914, 1918, 1938 AND 1942

Sex	1914	1918	1938	1942
Men	91	75	$84\frac{1}{2}$	79 to $73\frac{1}{2}$
Women	9	25	$15\frac{1}{2}$	21 to $26\frac{1}{2}$

*The percentage of women employed in engineering before the war was somewhat greater in 1938 than in 1914; but in 1918, the percentage of women employed was about the same as in 1942. This must not, however, make us overlook the important fact that in 1944 women are doing much more complex and "men's" work than in 1918.†*

If we compare conditions in industry as a whole we arrive at the following figures, using again the tables computed by Nicholson:

PERCENTAGES DISTRIBUTION OF WORKERS IN THE  
PRINCIPAL INDUSTRIES

Period	Men	Youths	Women	Girls
July, 1938	59	14	21	6
July, 1942	$57\frac{1}{2}$ to $56\frac{1}{2}$	14 to 10	$22\frac{1}{2}$ to 29	6 to $4\frac{1}{2}$

\* L.c. pp. 73 and 77.

† A fact of quite special significance when we remember the very unfavourable development of women's wages.

Again we find that the percentage of men employed in industry has changed very little; this time even less than in the specific industry investigated above. The percentage of women employed has not increased spectacularly. Probably less than one-third of the industrial workers are women—and if we take into account the fact that the above figures exclude mining, agriculture and the railways, we can say, that it is more than probable that of the total number of wage and salary earners in civilian occupations less than one-third are women, including girls.

If we compare the general civilian employment of women during the present and during the last war, we arrive at the following highly interesting table, covering the most important industries in this as well as in the last war :

PERCENTAGE DISTRIBUTION OF WORKERS IN THE PRINCIPAL INDUSTRIES, 1914 TO 1918 AND 1938 TO 1942

Sex	1914	1918	1938	1942
Men	76	62	73	71½ to 66½
Women	24	38	27	28½ to 33½

*Even though the mobilization of women was less intensive during the last war than during the present one the percentage of women employed in civilian work was greater at the end of the last war than it is to-day. This is due to the fact that to-day more women are doing military work, and more men have been retained in industry.*

The above figures also give us some insight into the recruitment of juveniles. If we bear in mind that a considerable number of juveniles (men below the age of 21, and women below that of 18 years) have been absorbed by the military authorities, it is surprising that the above estimates by Nicholson indicate that possibly the percentage of young people has remained the same in industry, and that, if it has somewhat declined, the decline has been so small. No comparative figures are available for the last war, but it is very probable that the number and percentage of youth (male) kept in civilian occupations has been considerably greater during the present than during the last war, although the total civilian and military employment has been probably the same. As to girls, I should not hesitate to say that their combined military and civilian employment was more intense during the present than during the last war, and that during the

present war the military authorities have obtained a very much greater share than during the last war. It is not possible to say that the percentage of girls employed in civilian occupations is higher during the present than during the last war as it is not possible, with the material available, to compare the effects of the greater comb-out generally during the present war with the effects of the greater military employment of girls. Even less do we know about the comparative absorption of old workers. Wolfe\* estimates the number of older men who deferred retirement or who returned to work after retirement at 200,000 for 1914-1918. I would not be surprised if the number has been much greater during the present war, even if we take into account the fact that the absolute and relative number of older workers was larger before the present than before the last war.

The last important problem of man-power mobilization to be studied is that of the distribution over various industries. It is obvious that the maintenance of an adequate civilian army of workers can be really useful only if it is distributed in such a way that it best contributes to the war effort against Fascism. While we have very little information on this subject for the last war, we have some data to show the changes in distribution of man-power during the present war. Mr. M. Kalecki, of the Institute of Statistics, Oxford, has made some highly interesting computations in terms of "1938 workers."† Since his data include gain of man-power through a lengthened working day, the employment of 10 more "1938 men" in 1942 does not necessarily mean the employment of 10 more people; if all of them worked 10 per cent more hours, then an increase in the number of "1938 men" up to 1942 by 10 would mean only about 9 additional people employed. Keeping this in mind we find from Mr. Kalecki's tables that the total number of workers released from consumption goods industries was about  $1\frac{1}{2}$  millions up to 1941, and that by 1942 roughly 2 million workers had been released as compared with 1938 from civilian consumption goods producing industries. As, furthermore, general production for export declined rapidly, a further million workers could be released between 1938 and 1941; 1942 brought no new releases in this respect. Private

\* L.c. p. 72.  
VOL. 1, PR. 1.

† *Bulletin*, Vol. 5, No. 11.

investments (including those by local authorities) also declined rapidly during the war, and released 2·5 million workers between 1939 and 1941; 1942 brought no new releases from this source. *Thus, we can say that the war effort had gained through better employment of available workers about 5 million workers by 1941, about 5½ million workers by 1942, and about the same figure by 1943, possibly rather less than in 1942 because of a probable slight shortening of the total number of hours worked. No mean achievement and one which is generally much too little appreciated in its importance.*

\* \* \*

The total civilian employment of wage and salary earners during the last war declined not inconsiderably during the first year. Wolfe\* gives the following figures of losses of the occupied male population after one year of war:

**LOSSES OF OCCUPIED POPULATION DURING THE FIRST YEAR  
IN THE LAST WAR**

	<i>Per cent</i>		<i>Per cent</i>
Woollen and Worsted	.. 12·5	Other metals .. ..	.. 20·8
Small Arms .. ..	.. 16·0	Coal, etc. .. ..	.. 21·8
Shipbuilding .. ..	.. 16·5	Cycle, etc. .. ..	.. 22·3
Iron and Steel .. ..	.. 18·8	Electrical Engineering	.. 23·7
Engineering .. ..	.. 19·5	Chemicals and Explosives	.. 23·8
Wire-drawing, etc. ..	.. 19·7		

Some of the losses in man-power were made good in the course of the following years. But the total of man-power again declined in 1916, made a slight gain in 1917, and was again smaller in 1918. As compared with July, 1914, man-power was smaller.

In July, 1915, by 819,000

In July, 1916, by 889,000

In July, 1917, by 842,000

In July, 1918, by 871,000

Total man-power in the principal industries was 13,886,000 in July, 1914, and 13,015,000 in 1918.

In this respect the situation is fundamentally different during the present war. Drawing on the experience of man-power shortage, especially in the most important war industries during the previous war, the Government has watched out much more

\* L.c. p. 14.



carefully during the present war, and has seen to it that there has been no depletion of civilian man-power. According to the estimates of Nicholson,\* using methods developed by Kalecki, employment developed as follows:

## TOTAL EMPLOYMENT, 1914 TO 1918 AND 1938 TO 1943

(1914 = 100) †		(1938 = 100)	
Year	Index	Year	Index
1914	100	1938	100
1915	94	1939‡	103
1916	94	1940	100½
1917	94	1941	105
1918	94	1942	106
		1943§	103

From this we see that after an initial drop which was so small that employment in 1940 was still higher than in 1938, the total number of people employed has increased slightly during the war up to 1942. If it is realized that this development took place while the number of men and women under arms increased from roughly half a million in 1939 to over 4 millions, then it must be said that the man-power effort of Britain—in spite of so many short-comings which are obvious from the preceding pages—has been a very considerable one, and that as far as the civilian man-power force is concerned, it has, on the whole, been managed and used, conserved in numbers and put to work, in a way appropriate to the enormous tasks which this war against Fascism has set us.

*If we compare, for instance, the man-power effort of Britain with that of Germany, we can say: the military strength of the nation has been used to an infinitely smaller degree and with an infinitely smaller success for the right purposes, up to the first half of 1944, that is up to the invasion of the continent, than the German military man-power has been used for the most nefarious purposes; the civilian strength of Britain, however, has been used not only for a better purpose—that is obvious to everybody—but also with more intelligence and foresight—a fact which is not obvious to everybody. The recent debate on woman-power in the House of*

\* L.c. vol. 5, No. 7.

† Computed on basis of figures given in the *Board of Trade Journal*, March 6, 1919.

‡ Cf. *Ministry of Labour Gazette*, January, 1940; figure refers to January–August.

§ My estimate.

Commons has shown that this has been done not without resistance from reactionary forces with vested interests not only in economic sources of wealth but also in a policy of too little and too late. Mobilization of civilian man-power and intelligent use of the forces available are—in marked contrast to military man-power and its use\*—a field in which vested interests have been beaten, although it must not be overlooked that they still hold numerous outposts and nests which ought to be cleared up.

### 3. HOURS OF WORK, PRODUCTIVITY AND ACCIDENTS

Before the present war, a very large number of workers worked the eight-hour day, and the Factory Acts limited the working week for young workers under 16 to 44 hours. Before the war of 1914 the working day was longer, the majority of workers working at least nine hours per day. But as soon as the war started, in 1914 as well as in 1939, the hours of work per day and per week began to increase, and by 1940 *the working day was not different from that in 1915 in many factories, especially those concerned with the production of armaments and other goods necessary for the armed forces.* In the second half of 1940 many munition and other armament firms worked a 12-hour day or even longer. At the same time many firms did not only lengthen the working day but also the working week—during the previous war as well as during the present one. At that time a 72-hour week or a seven-day week were not unusual in many armament factories.

In fact, the number of hours worked rose so rapidly and so high that after some time, in 1941, the authorities had to intervene in the interest of output, accidents, and health, and to warn against the ill-effects of an unduly lengthened working day. In his report for 1940, the Chief Inspector of Factories† writes in his introductory letter, dated September, 1941: “Experience of the year 1940 has shown that some valuable lessons of the last war had been widely forgotten or were not yet sufficiently appreciated, and has provided us with further guidance for the future. I have particularly in mind the lessons that excessive hours mean less production and that proper breaks and rest days

\* Written before the invasion of the Continent.

† Annual Report of the Chief Inspector of Factories for the year 1940.

are of great importance from the production standpoint." If one compares this statement with the constantly reiterated statements by the authorities during the preceding war that there is no clearly recognizable connection between hours of work and work efficiency, one sees that official willingness to recognize certain well known facts—well known for about a century—pertaining to labour conditions has made some progress.\*

But whether the effects of too long hours of work on productivity were recognized or not, during the present as well as during the last war, the number of hours worked per week began to decline in the third year of the war, in 1917 as well as in 1942. That is, it began to decline in those factories which had "gone all out," and had introduced the twelve-hour day and/or the seven-day week. The Chief Inspector, in his report for 1942, can write: "The Inspectors report that generally speaking the tendency during the year was towards the reduction of the weekly hours not only of women and young persons, but of adult men whose hours are not controlled by the Factories Act." This development for a more rational, more progressive use of manpower began already in the second half of 1941 and continued all through 1942. The decline in the number of such excessive hours and days worked continued on a smaller scale in 1943. This is due partly to the fact that some of the most serious excesses had already been remedied in 1942. In the case of youths and women workers, who often work shorter hours than men, the progress of the shortening of the working day can be observed from a study of special permissions for long hours of work given for juveniles and women.

The report of the Chief Inspector of Factories for 1941 says: "Out of about 10,000 factories which had emergency permissions to employ women and young persons over 16 either on a system of day and night shifts or for more than 48 hours a week on a

\* The Annual Report of the Chief Inspector of Factories for 1917 says, for instance: "Little further evidence has been gained during the year as to the effects of overtime on output. The relation is very difficult to determine without close and prolonged inquiry, which it has been impossible for the Inspectors to undertake. There is much conflict of evidence in the reports that have been received." And two years later, the Chief Inspector's report still says: "The reports disclose wide differences of experience as to the effect on production of shorter hours" (report on hours of work in the 1919 Report of the Chief Inspector of Factories).

day shift, returns showed that early in 1942 the permitted hours were between 55 and 60 in rather less than half the cases. This proportion has since tended to decrease."

And the next report, for 1942, indicates further progress, saying that not slightly more than half of the permits, but "about 70 per cent were given for 55 hours or less."

The diminution of the working day in factories working exceedingly long hours does not necessarily mean, however, that the average length of the working day has declined. It is possible, for instance, that the number of workers whose working week is increased from, say, 48 to 54 hours is much greater than that whose working week has declined from 60 to 54 hours; in this case we would have an increase in the average length of the working day. Unfortunately we have no reliable data on the general length of the working day, whether for the previous or for the present war. Nicholson\* has made an estimate (in my opinion too audacious) of the average lengthening of the working week:

#### AVERAGE WORKING TIME

<i>Year</i>	<i>Index</i>
1938	100
1940	105
1941	107
1942	109
1943	108†

From this it could be concluded that, on the average, the eight-hour day prevailing before the war has been replaced by the nine-hour day—although it is not improbable, even on the basis of the figures of Nicholson, that the eight-hour day has generally been replaced by the 9½-hour day, while a certain number of people have continued to work on the old eight-hour day basis, and some have been reduced in their working day, partly because of lack of business, partly because of lack of raw materials.

*While in the second half of 1940 and during the first half of 1941 the working day in the armament industries was probably the same as in 1915 and 1916—though it was considerably lower in the non-armament*

\* L.C. vol. 6, No. 10.

† *The Ministry of Labour Gazette*, February, 1944; figures refer to July, 1943.

*factories—in 1942 and 1943 the working day was shorter also in the armament factories than in 1917 and in 1918.*

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There is extremely little evidence available on the development of the productivity of the worker. What little there is, chiefly in the reports of the Select Committee on National Expenditure, suggests that the productivity per worker has gone down. This was no continuous process. After Dunkirk hourly productivity was going up for a short time and daily productivity for some time longer (because of the lengthening of the working day); during the visit of the Soviet Trade Union Delegation in January, 1942, productivity was going up per day and per hour; when North Africa was invaded by the Allied troops, productivity was going up, and the same happened after the invasion of Sicily. But on the whole, over the period of four years of war, productivity has tended to decline. This has been due to a variety of reasons. Firstly, many untrained or relatively little trained people (for their specific work or in general) entered the factories; then, the lengthening of the working day and, in not a few cases, insufficient nourishment, pressed down productivity per hour and even per lengthened working day; finally dissatisfaction with the progress of the war, feelings of frustration in respect of the home policy of the Government, etc., had a depressing effect on productivity.

For one industry we have fairly reliable data on productivity: namely the coal industry. The history of productivity in coal mining is one of the most interesting because it reflects so many aspects of the development of labour conditions during the present and during the last war:\*

PRODUCTIVITY IN COAL MINING PER WEEK, 1913-1918 AND 1938-1943

Year	Output per Worker and Week		Year	Output per Worker and Week	
	Tons	1913 = 100		Tons	1938 = 100
1913	5.02	100	1938	5.57	100
1914	Not available		1939	5.81	104
1915	5.21	104	1940	5.72	103
1916	5.03	100	1941	5.67	102
1917	4.79	95	1942	5.50	99
1918	4.45	89	1943	5.29	95

\* Cf. Hansard, June 22, 1943, and *The Ministry of Labour Gazette*, May, 1944.

During the last war productivity at first showed no decline; on the contrary, it increased as the mass of the workers thought that the war was waged in their own interest and gave of their best. In the course of the war, production declined with increasing rapidity. This decline was due to a variety of causes: to declining health and stamina, to a deterioration of the working force from the point of view of age and skill, to a small extent to the working of poorer seams, to a small extent to technical difficulties of production (machinery, props, etc.), and finally to an ever increasing degree during the war, to the realization of the workers that that war was not a just war, not a war waged in the interests of the people.

How different has been the development during the present war. In spite of the demands upon the physical endurance of the miners whose average age has increased and whose health and physical strength has deteriorated during the course of the war, in spite of the growing technical difficulties which are worse to-day than in 1918, production remained above the 1938 level in 1940 and 1941, was about the same in 1938 and 1942, and began to decline below it only in 1943. It declined in 1943 partly because of the physical exhaustion of the miners, and because of technical and man-power difficulties (proportion of face workers!) and partly—this is the most serious part of it—because of a certain amount of frustration, falling for provocations of reactionaries, pro-fascists, etc., and similar causes, all connected with the growing dissatisfaction and cynicism in regard to the pursuit of the war and the home policy of the Government. Now, if this occurs during an unjust, imperialist war, it is only to be greeted as a sign of awakening of the class consciousness of the workers, of their growing awareness for the tasks which history has set them, of their leadership of the people towards a better future. But if it occurs in a just war against Fascism, this is a most serious sign for the success of the utter-reactionaries and for the relative failure of the progressive forces to rouse the people against the forces of reaction who from outside and to a small degree also from inside menace the present and the future of the people.

Although we have no figures available for industry as a whole or for other individual branches of the national war effort, I

believe that the development in the coal industry during 1943 is by no means an isolated one, and can be found also in other industries—in some perhaps even more sharply expressed than in coal. I also believe that, in spite of a certain physical weariness, productivity would again go up, and probably reach unprecedented heights, if the military development were to show a turn in the strategy of Britain, a turn towards an all-out-effort to crush Fascism as quickly as possible, and if at the same time the home-policy of the Government were to indicate the resolution necessary to work out a future for the British people which they regard worthy of the greatest exertions to-day. *Such a turn in the course of events would mobilize an enormous amount of latent man-power, and would increase very considerably the labour force of the nation without an increase in the number of men and women at work.*

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The combination of long hours of work and resulting fatigue, the employment of man-power which had not worked at all as wage earners before, the shifting of men and women from jobs in which they had worked for a long time to others with which they were not familiar, and the drive for greater intensity of work led during the last as well as during the present war to a not inconsiderable increase in accidents. No general accident rates are available for the last war, neither per 1,000 men employed nor per hour of exposure; there are not even any absolute figures on the total number of people injured. The only statistics at our disposal refer to fatal accidents, and these are usually statistics of absolute figures which do not give a clear picture of the real increase in accidents.

## FATAL ACCIDENTS, 1914 TO 1918

Year	Factories and Workshops Total Number	Coal Mining per 1,000 employed	Other Mining per 1,000 employed	Quarrying	Railways Total Number
1914	1,287	1.15	1.01	1.20	477
1915	1,404	1.36	1.06	1.19	471
1916	1,507	1.32	1.18	1.20	453
1917	1,585	1.34	1.22	1.28	382
1918	1,579	1.39	0.91	1.55	337

Fatal accidents in factories and workshops rose constantly, most in 1915, less in 1916 and less again in 1917; in 1918 they declined slightly. But while the number of accidents rose that of the total number of employed declined or if it increased occasionally a little, it did not reach the pre-war level. The fatal accident rate in factories and workshops was even higher, therefore, during the last war as compared with 1914 than the above figures indicate. Fatal accidents in coal mining rose rapidly from 1914 to 1915, and remained through all the war years not inconsiderably above the 1914 level. For the railways no data are available to check upon the number of workers employed. In conclusion we can say that the fatal accident rate rose during the last war, and as far as we can measure it, it seems that the increase in the rate per 1,000 men employed of 15 to 20 per cent in coal mining is not an unusual one.

A highly interesting set of figures on fatal cases of certain industrial diseases can be put together on the basis of the report of the Chief Inspector of Factories for 1919 (p. 60):

DEATHS FROM CERTAIN INDUSTRIAL DISEASES, 1912 TO 1918

<i>Year and Average</i>	<i>Lead Poisoning</i>	<i>Arsenic Poisoning</i>	<i>Toxic Jaundice</i>	<i>Anthrax</i>	<i>Total</i>
1912-1914	33	—	—	7	40
1915-1917	21	2	34	12	69
1918	11	1	10	8	30

The table shows how physicians have become successful in dealing with lead poisoning, and how preventive or curative measures drove down the death rate from this disease. At the same time we observe how the production of new kinds of goods during the war—the effects of the use of tetrachlorethane when applied as a dope in the manufacture of aeroplanes in the case of toxic jaundice\*—creates new industrial diseases and how, after an initial, often very rapid increase in the number of cases, medicine and preventive measures succeed in driving down the number and percentage of those affected or killed. But in spite of counter-measures the increase in the number of diseases was so great that the number of fatal cases rose very considerably during the first war years as compared with pre-war years.

\* See Report of the Chief Inspector of Factories for 1917, pp. 18-20.



For the present war we have at our disposal vastly more material on the development of accidents. Although, for reasons of security, the Government does not publish any data on the rate of accidents, the figures given on their absolute number speak for themselves. The report of the Chief Inspector of Factories for 1942 gives the following figures on the number of accidents:

## REPORTABLE ACCIDENTS, 1938 TO 1942

<i>Year</i>	<i>Fatal Accidents</i>	<i>Variation on Previous Year</i>	<i>Non-Fatal Accidents</i>	<i>Variation on Previous Year</i>
1938	944	—	179,159	—
1939	1,104	+ 17 per cent	192,371	+ 7 per cent
1940	1,372	+ 24 per cent	230,607	+ 20 per cent
1941	1,646	+ 20 per cent	269,652	+ 17 per cent
1942	1,363	— 17 per cent	313,267	+ 16 per cent

Accidents have risen enormously during the present war. True, employment has also slowly risen, and the number of hours worked have risen too—but these rises were small indeed as compared with the rise in the number of fatal accidents. Total accidents in the factories from 1938 to 1942 rose by 75 per cent. According to the above quoted estimate by Nicholson the total number of employed in factories as well as elsewhere in civilian jobs has increased by about 6 per cent between 1938 and 1942. This means that the total number of accidents per 1,000 employed has risen by two-thirds; and if we take into account Nicholson's estimate of the increase in the total number of hours worked, we arrive at an increase in the rate of accidents per hour of exposure of about 50 per cent. Even if Nicholson's figures are no more than ingenious estimates and refer not to exactly the same group of workers as the accident statistics, the result of better figures would not be much different from ours: the accident rate in industry per worker and per hour of work has increased in fact by about half in the course of the war—and it has increased from year to year, and though the increase was smaller in the last years of the war, it was still very high indeed.

But the Chief Inspector has not only prepared for us this highly important table. He has added to it another which gives us deeper insight in the development of accidents:

## REPORTABLE ACCIDENTS, FATAL AND NON-FATAL, 1938 to 1942

<i>Year</i>	<i>Adult Males</i>	<i>Adult Females</i>	<i>Male Young Persons</i>	<i>Female Young Persons</i>
1938	134,752	14,626	22,922	7,803
1939	146,417	17,029	22,364	7,665
1940	173,228	23,766	26,492	8,493
1941	191,343	42,857	27,757	9,341
1942	203,865	71,244	29,028	10,493

Percentage Increase of

1942 over 1938      51 per cent    389 per cent    27 per cent    34 per cent

Two columns are of special interest in this table: the development of accidents among adult men and among adult women. The accident rate among adult men per 1,000 employed has increased by about 50 per cent, as their number has probably changed only little. As to adult women: the number of accidents has increased between seven and eight times as much as that of men, and even if, because of the increase of the number of women employed, their rate of accidents has not risen quite as much, it was probably about 300 per cent above the 1938 level or four times as high. The enormous rise in the number of accidents among women confirms the fact that it is chiefly those who have freshly entered industry, or have done so after long unemployment, and those who have changed their jobs during the war in order to do more important work, who are especially susceptible to accidents. This does not apply equally to men and to women, because the women are doing work in this war which before, even in 1914-18, had been men's work only. To both of them applies a tendency among employers, especially during the first year of the war, to relax in safety measures.

If we regard the increased number of accidents as a sacrifice of civilian man-power for the war, we get the following number of losses:

## INCREASED ACCIDENTS OVER THE 1938 LEVEL, 1939 to 1942

<i>Year</i>	<i>Adult Workers</i>		<i>Juveniles</i>
	<i>Men</i>	<i>Women</i>	
1939	11,665	3,403	696
1940	38,476	9,140	4,260
1941	56,591	28,231	6,373
1942	69,113	56,618	8,796
Total:	175,845	97,392	18,733

*Those who explained that no soldiers must be "sacrificed" for the Second Front before "sufficient metal" were available, should ponder these figures, should ponder, how millions were sent into the industrial battle, how within four years of war the number of wounded on the industrial front was not far from half a million, more than two-fifth of them women and juveniles.*

While it is not possible to compare the rate of increase of accidents in the two wars, it is obvious that the experiences of the last war have not contributed to lower materially the rate of increase during the present one. On the contrary, I would not be surprised if a detailed investigation of the basis of unpublished material would show for the last war a rate of accidents very similar or possibly even relatively lower than during the present one. This does probably not hold true for industrial diseases for which, although no comparable figures have been published, I would not be surprised to find a relative improvement during the present as compared with the last war.

But one fact is definitely very different in the present and the last war: the relation between casualties among the workers who have joined the army and those who are working in industry on the home front has materially changed in favour of those in the army. The casualties on the home front as compared with those on the combat front have increased very considerably, indeed.

#### 4. THE HEALTH OF THE WORKERS

There is prevalent in this country a dangerous illusion that the state of health of the people, while perhaps not as satisfactory as could be wished, is better than in pre-war years. The Press spreads the idea that the people of this country, and especially the workers, are surprisingly healthy, not only as compared with pessimistic expectations at the beginning of the war, but also as compared with the years before the war.

Let us first study the death rate from certain illnesses during the present and the last war:\*

\* Ministry of Health, Annual Report of the Chief Medical Officer, 1919-1920; Summary Report of the Ministry of Health for the period from April 1, 1941, to March 31, 1942, and for the year ended March 31, 1943.

## DEATH RATES PER THOUSAND OF THE POPULATION

1914 TO 1918 AND 1939 TO 1942

<i>Year</i>	<i>Cerebro- Spinal Fever</i>	<i>Diphtheria</i>	<i>Influenza</i>	<i>Measles</i>	<i>Scarlet Fever</i>	<i>Tubercu- losis</i>
1914	0·005	0·158	0·161	0·247	0·077	1·361
1939	0·012	0·051	0·193	0·007	0·004	0·618
1915	0·039	0·165	0·293	0·462	0·066	1·515
1940	0·062	0·060	0·277	0·021	0·004	0·679
1916	0·022	0·154	0·252	0·155	0·039	1·529
1941	0·052	0·064	0·166	0·028	0·004	0·691
1917	0·027	0·132	0·213	0·308	0·022	1·624
1942	0·029	0·044	0·082	0·011	0·003	0·616
1918	0·015	0·142	3·129	0·289	0·029	1·694

If we compare the figures for the years of the present and those for the last war we notice the considerable progress which medicine has made in the preservation of life. The death rate of such diseases as diphtheria, measles, scarlet fever and tuberculosis has gone down very considerably. But as during the last war so we notice during the present one a general tendency for deaths from such diseases to increase. Yet during the present war this increase stopped for many illnesses already in 1941, and among these six illnesses only two—cerebro-spinal fever and measles—show for 1942 a higher death rate than for 1939. Even tuberculosis shows a lower death rate in 1942 than in 1939! During the last war the death rate in 1917 was higher than that of 1914 in all but two cases (diphtheria and scarlet fever). Consequently, we are justified in saying that health or rather the death conditions in respect of these dangerous infectious diseases, while in the pattern of their development not fundamentally different as compared with the last war, are not inconsiderably better during the present one.

But these diseases and the deaths resulting from them are only a very small and minor aspect of the history of health conditions during the war. Of vastly more importance than these death statistics in the general story of the state of health of the people, is the story of what the Ministry of Health calls "positive health"

in contrast to death statistics and to the incidence of infectious diseases. How has the general state of health of the people developed during the present war? Unfortunately we have no statistical data at our disposal. But this is the fault not of the state of statistical science but of the reluctance of the Ministry of Health to undertake the necessary investigations. If it says in its report for the year ending March 31, 1943: "There is in fact no simple way of measuring the health (in a positive sense) of 40,000,000 people, though existing methods are constantly being extended," then it is wrong. Of course, there are simple ways of measuring the state of health, one of them was tried out most successfully in the U.S.A. health survey of 1935-36.

But even without such a survey we can say that health conditions were surprisingly good during the first year or two of the war, as compared with what the authorities expected and as compared with pre-war years. What is the reason for this? The reason is a very simple one. Before the war there were about two million unemployed, many short-time workers, and others receiving an extremely low wage and living far below a standard guaranteeing decent health conditions. With the war unemployment began to disappear, so did short time, and at least some of the lowest paid groups of workers received not only absolute, but also real wage increases. That is, war brought a standard of living for millions of workers which peace did not guarantee them, and thus naturally led to an improvement in the nation's health. But in the course of time, that is, during the third and fourth year of war the beneficial effects began to be less felt. New factors of importance, such as the continued strain upon the physique of the worker, resulting from long working hours, considerable intensity of work, and so on, began to counterbalance and after some time to outweigh these improvements.\* The last report of the Ministry of Health, covering the year ending March 31, 1943, says: "Sample enquiries among doctors, considered in conjunction with the rising claims to sickness benefit under the National Health Insurance Scheme, suggest that there

\* While the improvement in factory welfare facilities must be mentioned also among the beneficial factors, I believe that a more extended institution of such facilities could have postponed the deterioration of health conditions which we are experiencing in recent years.

was a considerable increase in short-term sickness during the year . . . an increase in minor illnesses might well be expected after more than three years of war with all its anxieties; long hours of employment, often on heavy and unusual work; shopping, travelling and housing difficulties; Civil Defence or Home Guard Duties; lack of holidays, and the black-out. There is no indication of an increase in long-term illness."

This is a very clear statement, and shows the general development of the state of health of the Nation. It shows that there is a deterioration, and it shows, that a further, more serious deterioration is to be expected—although the official report is careful in not pointing out this logical consequence. For it is obvious that the period since March, 1943, and that the future immediately before us, gives no reason to expect a lowering of the influence of the above mentioned factors upon the state of health of the people. Hours of work may have become somewhat shorter perhaps in a number of cases, but the general strain upon the health of the people, even if its pressure is not higher, has increased merely by its continuance. A constant strain leads not to a constant susceptibility to illness, but to an increasing one. And that is what happens to-day. But even more is happening. A constant increase in short-term and minor illnesses leads not only to a general weakening of the body and to increased susceptibility to minor and short-term illnesses, but prepares the way for an increase in long-term and major illnesses. There is, therefore, not the slightest reason for any optimism about the future development of health conditions among the workers. On the contrary, *if the war lasts much longer through procrastination in the military field, and if the armistice will not at the same time inaugurate a period of well-planned reconstruction, and if some work in this direction is not at once undertaken, we must reckon on a serious deterioration in the general state of health of the Nation, with possibly large scale epidemics of a very serious character.*

There is not the slightest reason for complacency, therefore, and if we do not watch out, the experience of the last war, when in 1918 the number of deaths from influenza increased so rapidly as to drive up not inconsiderably the general death rate, may be repeated in some form or other. *A combination of military aggressiveness and intelligent post-war planning will not only save ten*

*thousands of British lives on the battlefield but hundred thousands of lives at home, endangered to-day by the strain of war.*

### 5. THE LABOUR MOVEMENT

As during the last war, so during the present war the Labour Movement has been officially recognized as an important element in the furtherance of a successful prosecution of the war. Leaders of the Trade Unions and of the Labour Party have been consulted and have been given positions of responsibility. As during the last war, members of the Labour Movement have become ministers, and thousands of Labour officials have been nominated to hundreds of committees.

But there is one, and absolutely decisive, difference between the position of Labour during the last and during the present war. The last war did not correspond to the interests of the working class. The Labour leaders in 1914-1918, who put themselves at the disposal of the Government, misled Labour, consciously or unconsciously. At first, the workers did not realize this; there were only a few who rebelled against the prosecution of the war, few who saw clearly the mistake which the majority of the Labour leadership committed. But in the course of time, war, the hardest teacher of all, pressed home to more and more workers the fact that they were being misled, against their own interests, to fight for the interests of capitalism. This growing clarity among the workers becomes very obvious from a study of the development of strikes.\*

#### STRIKES AND LOCK-OUTS, 1914-1918

<i>Year</i>	<i>Number of Strikers</i>	<i>Duration of Strikes (Workdays)</i>
1914	447,000	9,878,000
1915	448,000	2,953,000
1916	276,000	2,446,000
1917	872,000	5,647,000
1918	1,116,000	5,875,000

Until 1916 the strike activity goes down or remains on a very low level; the first quarter of 1917 is still one of the lowest war strike quarters on record. But with the second quarter the strike

\* *Abstract of Labour Statistics, 1927.*

activity begins to increase rapidly and continues, under fluctuations, to rise right into the first years of the peace. The workers had begun to realize where their true interests lay—although they let themselves be misled again, with the consequent failures of twenty years of war-breeding peace.

During the present war the situation is an altogether different one. True, this war is due to the weakness of the working class everywhere, except in the Soviet Union, during the years from 1918 to 1939, and to the policy of the ruling class of monopoly capitalists in the years of so-called peace. But it is equally true that the war against Fascism to-day is in the interest of the people, that its energetic persecution is the only way to make up for the weaknesses shown and for the mistakes made in the past years. To-day, there is a real unity of interest of all classes. To-day the leaders of Labour and the Trade Union officials who join the war effort, who are nominated to committees, and who enter the Government can from their place of activity further the interests of the people. For the present war is a just war, a war in the interest of us all, a war in which everybody must join and give of his best.

How, under such circumstances, has strike activity developed? Has it been lower than during the last war? Has it shown a tendency to decline instead of increasing as it did during the last war?

#### STRIKES AND LOCK-OUTS, 1939 TO 1943\*

<i>Year</i>	<i>Number of Strikers</i>	<i>Duration of Strikes (Workdays)</i>
1939	337,000	1,360,000
1940	299,000	940,000
1941	360,000	1,080,000
1942	457,000	1,530,000
1943	557,000	1,810,000

The pattern of development is the same in this war as during the last war, although the character of the war is so vastly different. During the first year or two of the war strike activity declined. And then it continued to increase from year to year—the same in the unjust and in the just war. But this similarity is

\* *The Ministry of Labour Gazette*, January, 1944.



only a superficial one. The real difference becomes obvious when we compare the absolute amount of workdays struck :

## WORKDAYS STRUCK IN TWO WARS

<i>Year</i>	<i>Workdays</i>	<i>Year</i>	<i>Workdays</i>
1914	9,878,000	1917	5,647,000
1939	1,360,000	1942	1,530,000
1915	2,953,000	1918	5,875,000
1940	940,000	1943	1,810,000
1916	2,446,000		
1941	1,080,000		

The strike level before the war of 1914-18 was a higher one than that before the present war. During the first full year of war strike activity declined, by more than two-thirds in 1915, and by about a quarter in 1940. Between 1915 and 1917 strike activity rose by about 100 per cent; between 1940 and 1942 strike activity, although on an extremely low level in 1940, rose only by about 50 per cent. And although it rose again from 1942 to 1943, it remained very much below the 1918 level. But even these figures do not show the whole difference between the two wars. For during the last war there were a considerable number of very large scale strikes, beginning in the second half of 1915 with the strike of the South Wales miners, comprising 200,000 workers. During this war, however, there was up to 1943 no single large scale strike comprising 50,000 or more workers; and that is the decisive difference. For it is extremely unlikely to have even during the most just of wars a clean strike record in a capitalist country. For there will always be employers who will provoke strikes, and there will always be elements within the working class who are interested in misleading the workers. It would simply be closing one's eyes to the realities of the situation to ask for a clean strike record in a just war under conditions of monopoly capitalism. But this does not mean that the number of days struck during a just war must increase as it has done during the last three years. That clearly is a reflection of a certain weakness of the progressive forces. It is no reflection upon the ruling class—for those who expect the monopoly capitalists, even if for their own reasons they join the just cause, to give up completely their fight on the home front have not taken their measure, have not

understood the working of the class struggle. And those who do not draw the consequences of this situation show that they do not realize the full task before the working class in this just war. The increase in strike activity during the last two years is clearly due to an increasing aggressiveness of the monopoly capitalists. And they have dared to become more aggressive again because, on the one hand, they believe that victory is a certainty, and therefore, they want to prepare for peace by taking away to-day many of the war-time gains of labour—and because, on the other hand, the progressive forces and their representatives in the Government have not pressed the interests of the progressive cause sufficiently.

*The strike record of Britain during the last few years shows that the people realize the true character of this war, that they do not put first minor specific interests of the working class, that they can distinguish between the fight against the chief cause of reaction, German Fascism, and the fight for certain palliatives against the evils of capitalism in their own country. But it also shows that Labour must lose ground, if it does not take up a more determined attitude against those monopoly capitalists who want to use the war against Fascism as a cover for a war against Labour. Only if British Labour knows how to fight these elements to-day will the people of this country be victorious in this war as well as in the peace following it. That is the lesson to be drawn from these strike statistics, a lesson taught to the observant progressive in so many fields of activity to-day—on the battlefield as well as at home.*

And some of the pre-requisites for this march of Labour, leading the people to a future worthwhile fighting for, have developed very well during the last few years. One of the most important of them is the growth of the organization of Labour. True, the Labour Party has declined in membership from 2,663,067 members in 1939 to 2,453,392 members in 1942, while during the last war it increased from 1,612,147 in 1914 to 3,013,129 members in 1918. But the trade unions have grown rapidly from 6,231,000 members in 1939 to 7,781,000 in 1942—which can be compared with a growth from 4,145,000 in 1914 to 6,533,000 in 1918. And the Communist Party which was small in 1939 has grown into a mass party. When the present urgent drive to increase the politico-organizational consciousness of the trade union members has succeeded, when the political levy is being paid by a rapidly

increasing number of trade unionists, when the Labour Party begins to grow again, and a strong Communist Party is affiliated to it, then we can say that such an organization of Labour furnishes a solid basis for the fight for progress and against reaction and the interests vested in the poverty and misery of the people.

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PART TWO  
THE BRITISH EMPIRE  
1800-1945

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## PREFACE TO THE SECOND EDITION

WHEN I wrote the original manuscript of this short history of labour conditions in the Dominions and India, with a few notes on conditions in the Colonial Empire, I hoped that it would call forth much and detailed criticism as well as some studies of various aspects of labour conditions in these countries. I expected therefore that the second edition of this volume would take into account these new studies as well as the numerous government investigations which often follow the conclusion of a war. I thought also that possibly the studies by R. R. Kuczynski on demographic problems in the British colonies would be available in print and enable me to split up the history of Empire labour conditions into two parts, the one dealing with the Dominions, and the other dealing with India and the Colonial Empire.

None of these expectations have been fulfilled, partly because the war has only just been concluded and partly because of the rapid sale of the first edition and the welcome willingness of my publishers to bring out a second.

Consequently, apart from a few corrections—none of them involving changes in figures—I have left the main body of the book as it was.

But though the amount of material on the history of labour conditions at our disposal has not increased materially recently, actual events have made it necessary to add a somewhat lengthy introduction to the new edition, and to add a new chapter, dealing with war-time developments of labour conditions.

The new introduction deals with some recent tendencies in the development of the Empire which merit careful study. While the comments of some critics made it necessary to add to the first part of this history (dealing with conditions in Britain) a new introduction, devoted to a more detailed description of the theory of absolute deterioration, evolved by Karl Marx about one hundred years ago, some recent developments in Empire policy and the increasing rôle of the United States in world politics and world economy, make it advisable to deal in an introduction to the present volume with some theoretical and political questions of Empire development which have come to the foreground only very recently. There is no new theory to be presented, and the tendencies we observe are still too vague even to say with cer-



tainty that they represent definite economic and political plans of the representatives of reaction. Yet their appearance raises a number of questions, the implications of which should be studied; and that is the task of this introduction. It is merely a cautious admonition to watch out for the possibility of certain developments representing some change from the pre-war status, and no more.

The additional chapter deals with war-time developments of labour conditions in the Empire. Although it is much too early to draw a balance, the war, after all, has lasted for over five years, and during all these years many millions of workers have, naturally, experienced considerable changes in their standards of living and working. India has had a terrible famine, unemployment has disappeared from the Dominions, the mobility of labour has been restricted to a considerable extent, some rationing has been introduced, the movement of wages has been sometimes directed from a central authority, and prices have been regulated or at least manipulated. These and many other factors, known also very well here in Britain, have had a considerable influence upon the living and working conditions of wage earners in the Empire. They deserve at least a cursory description so that the reader can get a rough picture of what has happened to Empire labour during the war.

With the conclusion of our war against German Fascism and aggression, our interest naturally turns also to post-war problems. And for British labour one of these problems will be its relation to the aspirations of the peoples of the Empire and its attitude towards the policy pursued by British monopoly capitalism with regard to their aspirations. To formulate a progressive policy requires first of all a careful study of the situation, of the facts and tendencies. I hope that this book, especially with the additions to the second edition, will be of help to the progressive forces of Britain and the Empire in evolving a policy which corresponds to the interests of humanity as a whole—on behalf of which we have been fighting German Fascism, and for which we shall have to fight the vested interests wherever, and for as long as, they exist.

JÜRGEN KUCZYNSKI

LONDON

*May 9th, 1945.*

## INTRODUCTION TO THE SECOND EDITION

THE effect of the first world war on conditions in the British Empire was not inconsiderable. Industry in the Dominions was strengthened markedly, although it would be wrong to say that the Dominions became industrially independent, as most of the countries in Western Europe were.

Of course, the Dominions will probably never be independent as are the United States or the Soviet Union: disposing of rich resources in raw materials and manufacturing large varieties of goods. However, they could develop not only substantial consumption goods industries, but also an important heavy industry. This development did not take place during the last war, the start made in this direction being largely abandoned during the following years. The only exception to this rule was Canada, which became partially independent economically of Britain when she exchanged her complete dependence upon the mother country for a partial dependence only, coupled with partial dependence upon the United States.

India, where the industrial development made considerable strides during the last war, continued in this direction in the post-war years. But the new industries introduced there were never such as to form a complete industrial organism. While the cotton industry grew rapidly, production of cotton textile machinery was practically non-existent. While pig iron production rose, the manufacture of steel products remained on an extremely low level. Thus, the industrial pattern of India had so many gaps that it could be held together only by imports from other countries, chiefly Britain. In the Colonial Empire practically no manufacturing industry was developed during 1914-18 so that during the post-war years there was almost nothing to be destroyed.

We can sum up as follows, therefore, for the period from 1914 to 1939: With the exception of Canada, which came more and more under American economic domination, the Empire showed only a relatively slow advance towards a healthy and indepen-

dent economic status. The small beginnings towards the creation of a heavy industry in the Dominions were largely suppressed after the war. In India, where industrial development was rapid—though extremely small as compared with the potentialities of the country—it was so uneven as to keep her in complete economic bondage. In the Colonial Empire the war and the post-war years brought practically no change at all.

While it is too early to draw any conclusions from the development of industrial conditions during the present war, it is necessary to give attention and thought to the possibilities which the developments of the last five years have opened up, and to certain tendencies of British imperial planning which can already be discerned to-day. The situation should be clarified as soon as possible, as the progressive forces within the Empire can plan and act only when they understand the various trends and tendencies prevailing. And, as far as this study is concerned, the conditions of labour, the forms of exploitation and the fight against them are closely connected with the general trend of economic development in the Dominions and colonies.

Just as we have for the preceding decades, we shall have to distinguish three groups of countries within the Empire: the Dominions, almost wholly or to a considerable part settled by whites; India; and finally the Colonial Empire with a small number of whites, almost wholly populated by coloured people. All three sections have developed along different lines in the past, and will continue to do so if control by monopoly capitalism prevails in Britain. Let us now study in more detail the development of these three groups during the present war.

### I. ECONOMIC CHANGES IN THE DOMINIONS

The only Dominion showing a somewhat exceptional development during the last thirty years has been Canada. Canada is on the way to develop her economy as an organic entity. Both heavy industrial and consumption goods plants have sprung up all over the country. Machine building has not been one of the "forbidden trades," nor do we find important goods finally assembled in Canada while the individual parts were produced somewhere else. It is very probable that this healthier develop-

ment was connected with Anglo-American rivalry in Canada.\*

One important change which the war has brought about is that the United States are beginning to take an increasing share in the economic life of the Dominions. Just as in 1913 the share of American capital in Canadian investments, while not negligible, was insufficient to make itself felt in the pattern of Canadian industrial development, so the share of American capital in the economy of Australia, New Zealand and South Africa was small and without influence upon the peculiarities of their economic development before 1940. But just as American investments in Canada rose during the last war so quickly that by 1922 they had surpassed those of Britain, we find that, during the present war, the influence of the United States upon the economic development of the other British Dominions is growing rapidly. And just as the geographic location of Canada made it advisable for American monopoly capitalism to maintain and strengthen its position in Canada after 1918, so the strategic location of Australia and New Zealand in the Pacific, and of South Africa in relation to South America as well as to the Middle East, will probably induce American monopoly capitalism to try to increase its economic hold upon these countries after the present war.

The interest of American capital in Canada was largely determined by the fact that that Dominion had many raw materials required by the United States and also constituted a good market for American goods. It is just conceivable that even under such conditions Canada might have remained only partially developed industrially, that is, a country without a machine-building industry, not able to produce goods all the way from the raw material to the completed article. The reason why Canada developed was probably that the "native capitalists" could play the United States and Great Britain one against the other.

The interest of the United States in Australia is of a somewhat different nature, and the same holds true of New Zealand. The experiences of this war have caused these countries to be regarded as the strategic hinterland for American domination of the Pacific. Such a hinterland should be able not only to form a military basis but also to produce the weapons it needs. For this

\* See pp. 55-56 of this book.

reason the United States may be interested in preserving and enlarging the heavy industry laid down during the war in these two Dominions.

Britain has always sought to impede the development of heavy industry, but the United States will probably try to further it. British monopoly capitalism is more interested in the purely imperial aspects, to maintain its monopolist strangle-hold on the Empire's industry, while America views the situation more from a military-economic point of view.

Both Britain and the United States, however, are interested in promoting the food processing industries in Australia and New Zealand. The canning and food preserving industries have made considerable technical progress during the war, and it is very probable that this will be further employed in these two Dominions, contributing to a strengthening of this already important industry. The rapid growth of textile production in these Dominions during the war will probably continue, as there are no effective means in the hands of the British textile interests to check it.

It would seem probable, therefore, that the rapid growth of industry during the war in Australia and New Zealand, and its healthy development—healthy, that is, from an organic-technical point of view—will not only be maintained but probably intensified in post-war years.

In South Africa the tendencies we have just described as prevailing in Australia and New Zealand are not so strong. American interests in South Africa are less substantial. The artificially maintained backwardness of the African natives impedes rapid industrial development. The influence of monopoly capital upon general economic development is more concentrated. These and many other factors tend to slow down the process which we observed in the other two Dominions mentioned, and one cannot assert with the same degree of confidence, that the changes brought about by the war will be of a more lasting nature, nor that the situation after this war will be in this respect very different from that after the last, as far as the structure of South African industry is concerned.

## 2. THE INDIAN SITUATION

India has a considerable industry, yet the country is but very little industrialized. This seeming contradiction merely means that, even if India had as powerful an industrial apparatus as Great Britain she would, in relation to her population, only have reached about one-tenth of the degree of British industrialization. Moreover, her industry is a disconnected agglomeration of production units, without the basis of a strong iron, steel and machine-building industry.

The war has given to Indian industry an impetus, though not so great a one as the last war. The chief reason for this is the political deadlock caused by British imperialism. The growing opposition between the people of India, including large sections of the Indian bourgeoisie, and British monopoly capitalism has in recent years not only led to a retardation of the "usual war conditioned" growth of industry, but even to a standstill and in some cases a decline. The political contradictions have become such that unevenness can now be observed, not just in the growth and development of industry, but in its decline and retrogression. On the other hand, the growing determination to become politically and economically independent from Britain finds expression not only in the political day-to-day struggle of the Indian people, but also in documents such as the long range Tata Plan of economic development.\*

When we remember what stimulus was given by the last war to the growth of industry, the significance of the stagnation in recent years is very great. If present conditions were to continue it would not be surprising if Indian economy came out of this war with a structure not very different from that of 1919, though on a basis broadened and somewhat changed through the developments of from 1919 to 1939.

American finance capital has not been successful in making its influence felt in India. True, it is somewhat greater than before the war—but it was so small in 1939 that even a considerable increase does not mean much. The little that has become known of American methods of penetration indicates that it does not follow the methods of British capital: to maintain

\* Published as Penguin Special Series 148.

gaps in the structure of Indian industry so that it cannot become an organic whole. This is done through making the growth of a machine-building industry impossible, or by allowing the assembly of parts only, while making the production of these parts in India itself impossible, or by various other methods.

While these facts indicate that no fundamental change has so far occurred in the economic development of India, or in the methods of her exploitation by Britain, there is one point which cannot be ignored altogether, although it has not yet assumed primary importance. It seems that British capitalism is interested in training a small skilled Indian labour force. In India an increasing number of Indians are being trained as skilled engineering workers, and some are also being brought over to Britain where they receive training. It is difficult at present to assess the importance of this. Perhaps they are intended to serve as the nucleus of a servile labour aristocracy. Perhaps, supported by such a labour aristocracy, the British monopolists intend somewhat to modify their industrial policy in India, and to establish there a bigger heavy industry, whose function it will be to provide arms for use in the Far East and the Pacific. On the other hand, their measure gives to progressive Indians an opportunity to become technically trained leaders of industry in their own country.

If the former be the case, we shall have discovered the highly interesting fact that military considerations can over-ride a fundamental principle of British colonial policy, that of keeping secondary heavy industries in the motherland and denying to the colonies the growth of a sound industrial basis for their economic life. Such a modification of colonial policy would take place partly because of the existence of a normally grown native aggressively competitive industrial power, such as Japan, partly because of the competition of a rival white monopolist power, such as, for instance, the United States.

While it would be wrong to say that, under present monopoly capitalist conditions, such a development is inevitable or even probable, it would be equally wrong to regard it as impossible. There are some indications of such a development, as for instance the training of a certain number of industrial workers for more

skilled work. There is a certain basis for such development in the changes brought about in Indian industry by the war—not only in the production of armaments, for instance, but also in shipbuilding. The outlines of such a change of policy are still extremely vague, and they may disappear again after the war. But they may also become more distinct, reflecting actual developments.

### 3. THE SITUATION IN THE COLONIAL EMPIRE

At first sight, changes in the Colonial Empire seem to have been much fewer than in the Dominions and in India. If we exclude mining, the Colonial Empire, mainly in Africa, was without any real industrial basis before the war; and since the war began there has been nothing one could refer to as the foundations of industrial development. The West Indian areas of the Colonial Empire have been to a certain extent influenced by the ceding of military bases to the United States. But as far as population and economic resources are concerned, they are of small importance as compared with Africa, and we shall deal here only with the African colonies. Yet it would be wrong not to mention here the West Indies Conference of March, 1944, which represents an advance towards more democratic control.

Although there has been almost no change in the African colonies as far as industrialization is concerned, there are certain other changes which are of the greatest significance in British colonial policy. Firstly, the war in the Middle East has led to a certain organized and planned use of the agricultural and mining resources of the African colonies as a whole. This does not exclude cumbersome accumulation of stocks and the possible destruction of certain agricultural products, nor a greater degree of hardship among many Africans, for instance through the introduction of the direct forced labour system. It does not exclude dangerous financial developments, such as inflation, nor even economic regression in certain parts of the colonies. But it does mean that, for the first time in British colonial history, the African colonies are being considered as a whole, that the conception of an African Empire begins to take shape. Until the war there were merely



the separate colonies, even if some unification of territories took place or was advocated. But the idea of an African Empire was not conceived, nor did it find expression in any political, military, economic or other measures. This has been altered since the war began, and this is of the greatest importance. It is all the more important if one keeps in mind that the former Italian colonies are under British administration, that Britain's influence in Ethiopia is larger than that of any other great power, that Britain's influence in those parts of Asia Minor which were under French domination (Syria and Lebanon) has recently grown considerably, that British influence in the Belgian Congo is great to-day, and finally that American capital is trying to start a pincer movement upon Africa from the West via Morocco and Algiers and from the East via Saudi Arabia.

But this new conception of Africa as a Colonial Empire in itself, just as India is an Indian Empire, is only one aspect of the newer British colonial conception. Another is of probably equal importance. There is not the slightest doubt that in recent years British interest in the man-power of this African Empire has increased considerably. The appallingly low standard of health and, therefore, also of the working capacity of the population, the sore lack of educational facilities, the amazing ignorance of the Colonial Office—and, therefore, of course, of all of us—with regard to demographic facts, including even the size of the population in the various colonies, have for the first time successfully claimed some attention. Even just before the war, various nutritional and health surveys were made in the Colonial Empire.\* To these now have been added, or are being planned, surveys of the state of education. A considerable progressive, quasi-progressive and semi-official literature on the African colonies is being published. Question time in the House of Commons often produces a considerable and increasing number of inquiries about general and detailed problems of the African colonies. More and more frequently this literature and the parliamentary questions deal with labour problems or problems connected with the general state of health or education of the Africans.

It may be claimed, of course, that, although this interest is

\* See pp. 165-177 of this book.

genuine when shown by progressive people, it is purely simulation when emanating from official and semi-official sources. On the other hand, it would be advisable to watch out carefully for any corresponding changes in official plans (and some seem to be already in the process of partial, actual realization), because they may have an important bearing on colonial policy, especially with regard to labour. For the situation at present is as follows:

Health and general labour conditions are such that in spite of a high fertility rate the population in many African colonies grows only slowly or even declines. In contrast to India, the population of Africa is very small and a decline, stagnation or very slow growth will certainly impede the development of an African Empire.

Furthermore, because of poor health and nutrition the working capacity of the individual worker is extremely low. Now if there exists in a colony a great number of people (as in India), the working capacity of the individual worker is, from the capitalist point of view, not so highly important. If, on the other hand, a colony is under-populated, from the point of view of capitalist Empire builders, intent, for whatever reasons, to increase production, health conditions and the physical strength of the individual worker begin to count in the opinion of those who wish to profit by his labour. If Australia, Canada or New Zealand had not been settled by whites they would never have reached their present stage of industrial development—not only because of the principles of exploitation applied by Britain to colonial development, but also because only people living on the higher white standard can, if they are so few, advance rapidly in economic development.

If, then, Britain intends to build up an African Empire, based on a higher level of economic development than at present, and if this is to be done without materially changing the relation between the number of whites and Africans, she will be forced to take measures to enhance the physical energies of the Africans. Their health must be improved in order that they may endure more intensive labour. Also, the educational standard of at least part of the workers must be raised in order to enable them to handle machines, etc. The capitalists will be faced with problems similar

to those with which they had to cope in the thirties of the last century in Britain.

At that time it became impossible to increase the rate of profit without increasing productivity per worker, which could only be done by intensifying the working process. This involved the more widespread introduction of machinery. But it was useless to introduce more machinery without building up the worker's health, in order to enable him to stand the increased strain, and improving his educational standard in order to enable him properly to operate the machines. Thus, the standard of living was improved—real wages, for the first time in half a century, began to rise—and the working day was shortened so that the worker could have more repose.

A somewhat similar development would have to take place in Africa, should British monopoly capitalism try to build up an African Empire on the basis of the present small working population. But, just as the standard of living as a whole in Britain in the forties and following decades was not improved—in spite of the improvements of certain aspects—so the standard of living of the African natives would not necessarily improve—although their life would run its course on a higher level of civilization, facilitating their final delivery from the yoke of oppression.

It is too early yet to say that such a development will take place on a large scale. But it is not too early to point out that there are some tendencies which point in this direction. And it is obvious that if such a development were to take place, it would mean a revolution in the conditions of exploitation on the African Continent. It would, in fact, inaugurate a new phase in the history of colonial exploitation—without implying a tendency towards de-colonization, and yet, at the same time, giving a strong impetus to the liberation movement.

One further point should be considered in this connection. The question may arise whether the African Empire will necessarily be one in which industry plays a great role. While it is impossible to say whether on the basis of the raw materials available it will be regarded as practicable by British capitalism to build up an important industrial organism, one can say with certainty that, even if no large-scale industry be developed, the introduc-

tion of rational agricultural methods would also require a change in the methods of exploitation as indicated above. The introduction of the machine into agriculture (tractors, cotton picking machines, etc.) demands in certain respects similar changes of exploitation as the introduction of modern manufacturing industry. The new African Empire would have to be based, therefore, on the new conditions of labour indicated above, whether it be an Empire with a considerable (though unorganically developed) industry, or one applying the modern methods of mass agricultural production. In both cases certain standards of labour and education are required from the workers.

#### 4. IMPERIALIST MONOPOLY-CAPITALIST POLICY OR PROGRESSIVE POLICY

In the preceding pages I have given some indications of a possible post-war development of the general economic structure of the British Dominions, India and the Colonial Empire. They are indications of a possible development—initiated already to-day by the monopolist imperialist forces still determining British policy in the Empire. These tendencies have been described in an article in the Soviet Trade Union Journal, *War and Working Class*, April 1, 1944, by K. Hoffmann as follows:

“With all their interest in general victory over Hitler-Germany and its bloc, the monopoly groups are each striving for control over world markets and sources of raw materials and for a dominating influence over international trade. To them the war and victory mean first and foremost the strengthening of the power of their cartels.”

As these monopolist forces and tendencies hold to-day almost unimpeded sway over Colonial and Indian policy—in contrast to home policy as well as general international policy (compare their position in British home policy, for instance, and in Indian policy!)—it is absolutely necessary to investigate the present and possibly future policy of monopoly capitalism in India and the Colonies.

Any analysis of British and American monopolists' possible plans or adoption of modified methods of exploitation, and changes in the structure of the Empire, resulting from such plans

and changes, does not imply that the monopolists will be able to realize them. It will be the task of the progressive forces in the Dominions, India and the Colonies, and especially also in Great Britain, to ensure that these plans are not realized, or rather that some of them are realized in such a way that the people will benefit from them. For in their present form they do not correspond to the aims of this, our just war against Fascism, as laid down in the Atlantic Charter and the decisions of the Teheran Conference, and cherished in the hearts of the common people of all countries, whether white or coloured.

But if the progressive forces wish to succeed with their programme, if the people of the world are to live as free men, without racial, economic or political discrimination, then they must know in advance the plans of the vested interests, the monopolists and imperialists. It was the purpose of the foregoing pages not to predict any specific development, but to indicate certain tendencies in the policy of the imperialists and to call attention to certain changes in policy which they might want to introduce. This should aid the progressive forces in their fight for a better life for all peoples of the British Empire, as also for the peoples of Europe and of the whole world.

## CHAPTER I

### LABOUR CONDITIONS IN INDIA

THE history of the economic domination of India by Britain can be divided into three periods. In the first period profits were made through trade and plunder and the levying of tributes, though sometimes it is difficult to differentiate between the first two methods; often they were intertwined—business being concluded under the threat of the use of force. A perfect example of what was happening in this period, during which the East India Company was supreme, is described in a Memorandum of the Nawab of Bengal to the English Governor, May 1762:\*

“They (the East India Company’s agents—J. K.) forcibly take away the goods and commodities of the ryots (peasants), merchants, etc., for a fourth part of their value; and by ways of violence and oppression they oblige the ryots, etc., to give five rupees for goods which are worth but one rupee.”

Large profits were made by buying goods from India considerably below their value and selling goods to India considerably above their value. The profits and spoils resulting from this kind of trade were enormous, and the agents of the company, as well as its shareholders, made fortunes out of it. Clive, for instance, returned home from India with a fortune of £250,000 and an Indian estate bringing in £27,000 a year.

With the “industrial revolution” in Britain a change came over the methods by which profits were made. In Britain, industrial capital gained supremacy over merchant capital. While merchant capital, represented by the East India Company, enjoying a trade monopoly, tried to get out of India as many goods at as low a price as possible in order to sell them at a high price in the rest of the world, industrial capital was chiefly interested in getting as many goods at as high a price as possible into India—goods, of course, which industrial capital had

\* Quoted from R. Palme Dutt, *India To-day*, p. 110.

produced in Britain. Such a change of methods is, of course, not an abrupt one, and while we find very definite traces of the second method in the eighteenth and in the beginning of the nineteenth centuries, we can still find examples of the first method to-day.

The first and chief task of British industrial capitalism, therefore, was to destroy the production of non-agricultural commodities in India. For such destruction would help to increase the sale of British-produced goods. Up to the end of the eighteenth century Indian textile producers sent great quantities of their goods to Britain—that is, they were taken from them at very low prices. But with the transfer of economic supremacy from merchant to industrial capital the amount of Indian cotton piece goods imported into Britain fell rapidly—during the years from 1814 to 1835 it declined from one and a quarter million pieces to three hundred thousand. During the same period, on the other hand, the quantity of British cotton manufactures exported to India increased by more than fifty times, from less than one to over fifty million yards.\* Within half a century the backbone of India's production of non-agricultural goods was broken. Within a century India, which at the end of the century was probably the greatest producer in the whole world of non-agricultural commodities, of textiles and public buildings, of handicraft articles and works of art, became a backward agricultural country. British industrial capitalism had realized its aim, which was to make of India an agricultural hinterland, supplying Britain with raw materials and buying her finished manufactured products.†

\* Cf. Report from the Select Committee on East India, July 1840, p. 580.

† Looking back over the industrial history of India Dr. Prarnathanath Banerjee says in his book, *A Study of Indian Economics* (5th. ed., p. 80): "At the present moment India is backward in the matter of manufacturing industries. But there was a time when she was one of the chief manufacturing countries of the world. Even as late as the eighteenth century, she was on par with Europe in industrial matters, and her manufactures found a ready market in many foreign countries."—H. H. Wilson in his *History of India* (vol. i, pp. 538–39, note) writes: "... the mills of Paisley and Manchester ... were created by the sacrifice of Indian manufacture." Expressing (and approving) the attitude of British capitalism towards India during the last hundred years Sir Patrick Playfair, on the occasion of the Annual Dinner of the London Chamber of Commerce, 1912, said: "India must be in the main an agricultural country raising crops in great quantities and of great value" (Quoted by Dr. Banerjee, l.c. p. 109).

British capitalism could only succeed in this by laying the groundwork, to some extent, of a modern economic society in India, and by breaking the domination of Indian economic life by the so-called feudal class which was all-powerful a hundred years ago. Objectively, this was in a certain way a progressive development, for the old Indian social order could not have developed those tendencies—or at least could not have so quickly developed them—which to-day foreshadow the advent of a progressive society which will find its full expression in a free India in which the people are their own masters. Asiatic methods of production and the Asiatic social hierarchy were partially destroyed and to a large extent incorporated as “junior partners” or transformed into instruments of British capitalism.

At the same time, railroads were built all over the country. The new ruling class, the British capitalists, took the place of the native overlords as supreme masters, and its agents transported themselves and the commodities which they sent over to Britain, by modern methods.

In the article, entitled “The Future Results of British Rule in India,” which Marx wrote for the *New York Daily Tribune* (August 8, 1853), he explains:

“I know that the English millocracy intend to endow India with railways with the exclusive view of extracting at diminished expenses the cotton and other raw materials for their manufacturers. But . . . you cannot maintain a net of railways over an immense country without introducing all those industrial processes necessary to meet the immediate and current wants of railway locomotion, and out of which there must grow the application of machinery to those branches of industry not immediately connected with the railways. The railway system will therefore become in India truly the forerunner of modern industry.”

At the same time:

“Modern industry, resulting from the railway system, will dissolve the hereditary divisions of labour, upon which rest the Indian castes, those decisive impediments to Indian progress and Indian power.”

The third period of Indian history under British capitalism coincides with the period of monopolism, of finance capital, of



capitalism in decay. Profit-making by finance-capitalist methods is quickly coming to the forefront. The peculiar trading methods, developed during the period of the supremacy of merchant capital are to a certain extent still being used as a subsidiary method of making profits. The import of British manufactures still plays a great rôle—though the British share in Indian imports has fallen from about 80 per cent in the eighteen-eighties to less than 40 per cent in the thirties of the present century. Yet, the principal method used of making profits is to levy tribute for the purpose of enabling the coupon-snipper to get his interest. Before the outbreak of the present world war, profits from over half of the investments in India were drawn through loan arrangements. If we estimate British investments in India at about seven hundred million pounds, 57 per cent, or about four hundred million pounds were invested in Government and railway loans. This method was employed to an increasing degree during the second half of the nineteenth century. Increasing tributes were levied on India, increasing profits were made through export trade; and then this profit and tribute was re-invested in India at a good interest rate, thus charging the country double, once by tribute and trade, and again through interest payments on the re-invested part of the tribute and profits. But only in the twentieth century under finance-capitalism did this method of profit-making become the dominant one.\*

The destruction of Indian non-agricultural production during the nineteenth century drove millions of Indians out of their occupations and forced them to turn to the land. A hundred years ago probably only about half of the population of India was engaged in agricultural work, but the percentage at the turn of the century had reached two-thirds and to-day it is nearly three-quarters of the total population.† Forcing the industrial population into agriculture in a country where conditions on the land for the masses of the people always were poor has contributed to the permanent agricultural crisis which we find in India since many decades. The chief causes of this crisis are the pressure of the population, driven from other, non-agricultural, pursuits into agriculture, the low level

\* Cf. R. P. Dutt, *India To-day*, p. 135.

† Cf. Census of India.

of agricultural production methods which British rule has done extremely little to improve, and the growing indebtedness of the peasants which is carried on from generation to generation. All this has led, on the one hand, to an enormous widening of the abyss between the large and the small landholders, and, on the other, to the creation of a large landless proletariat, amounting to one-third to one-half of the agricultural population. The process of the creation of this agricultural proletariat is both a cruel and simple process. This proletariat consists partly of handicraftsmen and other producers of non-agricultural products who have been robbed of their jobs and who returned to the land in order to earn their living somehow. Partly it consists of small peasants who, overburdened with debts and mortgages, and obliged to pay the tributes levied on them by their native and foreign masters, had to give up their small holdings. Already, before they had to give them up, they often held them only as unprotected tenants, overburdened by ever-increasing taxes and payments to the landlords and intermediary agents.

While British capitalism succeeded without any important inherent difficulties in creating an agricultural proletariat, the creation of an industrial proletariat presents two important contradictions in the policy of the so-called mother country, inherent in capitalism. During the nineteenth century we can observe two tendencies: the tendency to destroy all Indian production of non-agricultural products, except perhaps mining—the only industrial form of gaining raw materials which does not require the general industrialization of a country. At the same time, as Marx remarked, there is a tendency towards industrialization necessarily connected with certain methods and means of exploitation by industrial capital, as, for instance, the railways.

Of the two tendencies, the first, the destructive one, was on the whole the more successful. About 1900, Indian industry was reduced to such a state that the industrial population of India formed a very small minority. The numbers employed in modern industries were as follows (by modern industries we understand factories, for instance, and not small workshops, etc.):

Factories	..	..	..	..	about	500,000
Mines	..	..	..	..	about	100,000
Railways	..	..	..	..	about	350,000

All in all, little more than one million workers were employed in establishments run on industrial capitalist lines.

If we analyse the different industrial occupations and the number of workers engaged in factories employing fifty or more workers we arrive at the following:

NUMBER OF EMPLOYED IN FACTORIES WITH 50 OR MORE WORKERS IN 1901

Indigo Factories .. .. .	159,000
Textile Factories .. .. .	86,000
Iron and Brass Foundries .. .. .	18,000
Rice Mills .. .. .	13,000
Printing Presses .. .. .	12,000
Timber Mills .. .. .	7,000
Tanneries .. .. .	7,000
Tile Factories .. .. .	6,000
Breweries .. .. .	6,000
Lac Factories .. .. .	5,000
Paper Mills .. .. .	5,000
<b>Total .. .. .</b>	<b>324,000</b>
<b>Total less Indigo Factories .. .. .</b>	<b>165,000</b>

Excluding the indigo factories, we find that about half of all workers employed in medium sized and large industrial establishments are textile workers, and that little more than 10 per cent are employed in the iron and steel industries. True, a hundred years before, in Great Britain too, the textile industries were the dominant industries of the country, but iron and steel and the industries of their manufacture did not play so unimportant a rôle. They supplied not only the textile industries of Britain but many other industries in the United Kingdom and on the Continent with the machinery necessary for production, while in India in 1900, no modern industrial machinery for the production of manufactured goods was produced. Even such small modern industry as had been built up in India was composed in such a way as to make it completely dependent upon imports—and that meant imports from Great Britain. There were not even the beginnings of an independent basis for Indian industry, and British capitalism was most careful to see to it that there were no such beginnings.

During the twentieth century the number of workers in

factories, mines and on the railways increased considerably; the number employed industrially in the middle thirties were as follows:

Factories	..	..	..	about	1,600,000
Mines	..	..	..	about	270,000
Railways	..	..	..	about	700,000

If we compare this table with the corresponding one for the turn of the century we see that the number of workers in the factories has about trebled, that in the mines has increased by about two and a half times, and that on the railways has about doubled. The proportion of factory workers has increased.

But what is the composition of the factory workers like? Among the total number of 1,650,000 workers in 1936 there were about

900,000	textile workers
250,000	engineering and metal workers
500,000	other workers.

Over half of all workers are textile workers; and if we exclude those workers who are engaged in railway workshops belonging to Government and local bodies, the iron and steel industry, with less than two hundred thousand workers, again employs little more than 10 per cent of all workers. That means, in spite of the fact that the number of factory workers (which is still extremely low) has increased quite considerably, the industrial composition of the working class reflecting the general structure of industry is still the same as in 1900; it is the industrial structure of a country which is completely dependent upon outside support, which is held in chains by another country.

If we bridge the span between 1900 and the middle thirties by some more data we get the following picture of the development of the number of workers employed in factories:

#### FACTORY WORKERS, 1900 TO 1935

<i>Year</i>	<i>Number of Factories</i>	<i>Number of Workers</i>
1900	1,207	468,956
1910	2,271	792,511
1914	2,874	950,973
1919	3,523	1,171,513
1925	6,926	1,497,158
1930	8,148	1,528,302
1935	8,831	1,610,932

During the first fourteen years under review, from 1900 to 1914, the number of workers more than doubled. During the next twenty-one years it increased only by about 70 per cent; during the last ten years it has increased but little.

But these figures refer only to factories coming under the Factory Act and leave out of account numerous small establishments producing non-agricultural commodities. The following table shows the total number of workers in some important industries:

#### INDUSTRIAL WORKERS IN IMPORTANT INDUSTRIES

<i>Industries</i>	<i>Number of Workers in Millions</i>		
	<i>1911</i>	<i>1921</i>	<i>1931</i>
Textiles .. .. .	4.45	4.03	4.10
Clothing and toilet industry	3.75	3.40	3.38
Wood .. .. .	1.73	1.58	1.63
Food industry .. ..	2.13	1.65	1.48
Ceramics .. .. .	1.16	1.09	1.02
Total .. .. .	13.22	11.75	11.61

The figures show clearly that the process of driving the Indian people out of occupations which are connected with other than agricultural pursuits has continued up to the present. According to the Occupational Census of India, the percentage of the total population dependent upon industry was 11.2 in 1911, 10.5 in 1921, and 10.4 in 1931. But if we remember the figures of the previous table, then we realize that this process of de-industrialization is not a single one but is combined with another, in order to make the best use, from the capitalist point of view, of the relatively or absolutely decreasing number of Indians producing non-agricultural products. While the number of industrial workers declines, the percentage of industrial workers working in factories increases. That is to say, the diminishing group of industrial workers is working to an increasing percentage under modern capitalist methods: an increasing number of the diminishing group of industrial workers is used for factory production.

But this is not all. If we compare the number of workers engaged in factory work in recent years and the volume of goods produced in factories, then we find that the intensified exploitation of the industrial workers does not consist only in putting an increasing percentage of them into factories:

# FACTORY PRODUCTION, FACTORY EMPLOYMENT AND PRODUCTIVITY

(1919-23 = 100)

<i>Years</i>	<i>Production</i>	<i>Employment</i>	<i>Productivity</i>
1919-23	100	100	100
1924-28	119	117	102
1929-33	134	114	118
1934-38	181	126	144

Very large also was the increase of productivity in the mines:

## PRODUCTIVITY IN COAL MINES

1919-23	..	..	..	100
1924-28	..	..	..	118
1929-33	..	..	..	127
1934-38	..	..	..	127

While an increasing percentage of the industrial workers is put into the factories and mines, these workers in factories and mines have to produce more and more. There are few countries in which we can observe such an increase of productivity as in India. This becomes all the clearer if we realize that the above figures do not take into account the fact that during the last twenty years the number of hours worked per day and per shift has diminished. If we take into account the decline in the number of hours worked, and if we compute an index of productivity per hour, then we find that productivity in the factories has increased by considerably more than 50 per cent, while that in mines has increased by more than one-third!

\* \* \*

Productivity was increased to a large extent by an increase of the intensity of work. The effects of this can be seen very clearly from the following table, which shows the number of accidents per thousand workers in factories.

## ACCIDENTS PER 1,000 WORKERS, 1919 TO 1938

<i>Years</i>				<i>Accident Rate</i>
1919-23	..	..	..	5.0
1924-28	..	..	..	9.2
1929-33	..	..	..	13.4
1934-38	..	..	..	16.0

The accident rate has increased by over 200 per cent. Such a rapid increase in the rate of accidents is probably unprecedented in the history of capitalism. True, part of this increase may be due to better reporting of accidents; and equally true, there has undoubtedly been some progress in the installation of safety devices. Yet, taking these qualifications into account, the fact remains that probably no country in the whole world shows such a rapid increase of the number of accidents as India. The International Labour Office mentions the following factors making for increased accidents:\*

"... Among these factors may be mentioned the increasing complexity of machinery and the speed-up of production, which have not always been accompanied by a corresponding increase in the adaptability and efficiency of the workers on the one hand and in the adoption of protective measures by the employer on the other, and, as regards mines, an increase in the depth of mining operations."

The workers were speeded-up and they did not get the training necessary for handling complex machinery; at the same time, the employer neglected the installation of safety devices.

But not all accidents are directly due to speed-up and neglect of safety measures, and the International Labour Office reports:†

"A considerable number of accidents used to occur every year to children who were not employed in factories, but were present with their parents or guardians." The parents or guardians could not leave the children alone at home—everybody was at work. So they took them with them to the factories. The result is that machinery and speed-up take their victims not only among the employed workers but also among the children who are still too young to work.

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So the workers must work intensely and they are exposed to an increasing frequency of accidents. In the meantime, how have their wages and their purchasing power developed?‡

\* *Industrial Labour in India*, International Labour Office, Studies and Reports, Series A (Industrial Relations), No. 41, pp. 204, 205.

† *Ibid.* p. 196.

‡ Unfortunately, the wage material available, though not small, is rather unreliable. There is a magnificent-looking annual publication called *Prices and*

## WAGES IN INDIVIDUAL INDUSTRIES\*

(1900 = 100)

Years	Cotton Industry	Jute Industry	Railways	Mining	Metal Workers	Building Workers	Plantation Workers
1880-89	80	84†	87	71‡	75	90	—
1890-99	90	87	95	81	89	89	100
1900-09	106	106	109	119	112	109	104
1910-19	142	128	139	176	138	133	122
1920-29	273	194	245	255§	190	195	170
1930-38	242	148	286	191	171	168	121

There are quite a number of similarities in the movement of wages in the individual industries. In all industries wages had a tendency to rise, up to the end of the war. Up to the war the rate of increase was not very different in the individual industries, except perhaps in the mining industry, where wages rose somewhat considerably above the average, and in the plantations, where they lagged behind. During the war, wages in mining and in the cotton industry rose above the average. In 1929, before the great world crisis, two groups had been formed. The one comprises the cotton and mining industries (where wages already, before this stage, had risen above the average), and the railways (where wages moved relatively favourably in post-war years). The other group consists of the jute industry, the metal and building trades and the plantations, in all of which occu-

*Wages in India* giving more material than most other countries have published; yet it was discontinued in 1923 because it was realized that a large percentage of the data was not reliable. Unfortunately the authorities who decided the discontinuation of this collection of figures did not realize that a certain amount of the wage material regularly gathered was reliable and that its publication should have been continued. And furthermore, the same authorities did not draw the conclusion that if a large part of the material was unreliable something should have been done to make it more reliable, to improve the process of gathering the data. A very useful arrangement of wage data for the years 1890 to 1912 can be found in K. L. Datta's five-volume study, *Report on the Enquiry into the Rise of Prices in India*, vol. iii. For the years since 1912, more reliable but much more scattered sources of data on wages are available; but the fact that the material is so scattered often makes it difficult to put the figures together and to compute an index at least relatively reliable. From these few remarks it is obvious that the following wage indices must be regarded as no more than approximations of the course of wages, and this is true especially for the early years under review, and for the war years 1914 to 1918.

\* Wages by years, see Appendix to Chapter IV.

† 1883-89 only.

§ No figure for 1923 included.

‡ 1882-89 only.



pations the wages have risen considerably less than in the three industries first mentioned.

But how have wages moved as compared with prices?

#### MONEY WAGES, COST OF LIVING, AND REAL WAGES\*

(1900 = 100)

<i>Years</i>	<i>Money Wages</i>	<i>Cost of Living</i>	<i>Real Wages</i>
1880-89	87	69	127
1890-99	94	85	112
1900-09	107	97	111
1910-19	135	143	98
1920-29	211	207	103
1930-38	184	143	129

While, until the first world war, money wages showed a fairly uniform tendency to increase, real wages have moved very differently. Often they have fluctuated violently from year to year, and on the whole they have shown a tendency to decline. During the world war and the years immediately following it, money wages increased rapidly, while real wages declined steeply. After the world war, there was first a natural reaction (to be observed in most countries) and real wages increased slightly. During the thirties, however, real wages continued to increase and rose quite considerably. This rise in real wages, however, is deceptive. For the above wage data refer to gross wages and do not take into account the gigantic wage losses through unemployment and short-time in the early thirties. Net money wages, if one could compute them, would show that real wages in the thirties are considerably below the level of the eighties. And then, as former tables in this chapter have shown, the intensity of work to-day is much higher than it was sixty years ago; that is to say, the worker, even in order to restore his working power in the same degree as he did sixty years ago, would need considerably higher real wages. Furthermore, there is the question of the cost-of-living index by which we measure the change in prices. This refers only to conditions in certain important towns. Furthermore, it does not take into account prices asked for under the truck system, which is prevalent in many places of India. It is not uncommon for workers to get

\* Data by years, see Appendix to Chapter I.

their wages only partly in cash, while for the rest they get a ticket or voucher for factory stores and mine depots. In times of general economic difficulty the employers try to cut down wages partly by lowering the pay, partly by a relative increase of prices in company stores. It is no contradiction of this policy to find that in a number of cases, employers buy grain at wholesale prices and sell it to the workers at prices below the market (retail) price.\*

Furthermore, the workers have been subject until recently, especially during periods of declining trade activity, to a system of fines which made it possible for the employer to deduct, almost at will, considerable amounts from the pay. Often the management did not even bother to specify for which "offence" fines were deducted. Reasons for deductions were not only "late attendance," "insubordination" or "bad and negligent work," but also such luxuries as the provision of drinking water. An investigation made in Bombay in 1925 and 1926 showed that out of 1,231 concerns 441 deducted fines from wages.† The Payment of Wages Act which came into force in 1936 has prohibited the fining of children and curtailed the amount of the fine put on adults to somewhat over 3 per cent of the worker's earnings; since the Act furthermore provides that the amount taken from the workers should be devoted to some form of labour welfare, the employers are abandoning the system of fines. Instead of fining they are now locking-out the individual workers for periods up to three weeks, an even more cruel punishment.

Sometimes the worker receives no wages at all for his work. If profits are not coming in quickly enough, wages are paid "at a later time." It is by no means a rare occurrence that wages are paid a couple of weeks or even a month or more after they are due. And if the workers cannot wait, if they have to leave and go begging, or if they die or fall ill and cannot come on "pay-day," then these wages are saved and the company can add them to their profits. These delays in the payment of wages are particularly frequent during periods of trade

\* Cf. I.L.O. *Report on Industrial Labour in India*, p. 238.

† Cf. *Report of an Enquiry into Deductions from Wages or Payments in Respect of Fines*, Bombay Labour Office, Bombay 1928.

depression, when the workers are least able to endure them. The Payment of Wages Act has somewhat improved the situation, but even under the new Act a delay of ten days is still legal for the restricted number of workers covered by the Act. One of the reasons why the employers are extremely reluctant to give up their policy of delayed wage payments is that this policy enables them to get the workers into debt which in turn makes it more difficult for the workers to leave for another factory. They are thus held in a form of debt-slavery.

It is not only the capitalists, however, who squeeze the workers: there are the so-called jobbers, who really are a kind of labour contractors. In the *Report of the Royal Commission on Labour in India*, 1931 (pp. 23-24), we read:

"As important as any of these functions is the duty which the jobbers perform in their capacity as intermediaries between employer and employee. It is to the jobbers that the employer generally goes when he wishes to notify a change to the workers; it is from the jobbers that he derives most of his information regarding their needs and desires. . . ."

That is to say, the jobber functions as the right-hand man of the employer when the latter deems it necessary to lower working and living conditions—but he can only keep this position of right-hand man if he works at the same time as a stool pigeon.

The Report continues:

"The temptations of the jobbers' position are manifold, and it would be surprising if these men failed to take advantage of their opportunities. There are few factories where a worker's security is not, to some extent, in the hands of a jobber; in a number of factories the latter has in practice the power to engage and to dismiss a worker. We were satisfied that it is a fairly general practice for the jobber to profit financially by the exercise of this power. . . . The jobber himself has at times to subsidize the head jobber; and it is said that even members of the supervising staff sometimes receive a share of the bribe."

On the last two pages I have pointed out not only deductions from wages, and the methods used to cheat the workers out of what little they get, but also that these deductions are often particularly heavy, relatively and sometimes absolutely, during

periods of business depression. This is important, partly because it shows that the workers are hardest hit by these deductions when they can stand them least, partly because during the post-war period the number of years during which trade was slackening was especially great, and partly because it shows clearly the artificiality of the gross real wage increase during the crisis years in the thirties.

Before concluding this survey of wages it is advisable to give a table which has been published already several times in recent years,\* but which must not be missed in any study of labour conditions in India. We quote this table from Mr. N. Gangulee's useful study on health and nutrition conditions in India. Together with a second confirmatory table, also quoted from Mr. Gangulee's study, it is the most impressive which I have ever met in the multitude of volumes published on labour conditions in any country.†

DAILY CONSUMPTION OF FOOD PER ADULT MALE  
IN THE HOMES OF FREE INDUSTRIAL WORKERS  
AND IN THE PRISONS OF BOMBAY

Items of Foodstuffs	Industrial Workers		Indian Convicts in the Prisons of Bombay	
	Bombay Textile Industry lb.	Madras Textile Industry lb.	Light Labour lb.	Hard Labour lb.
Cereals ..	1·29	1·13	1·38	1·50
Pulse ..	·09	·07	·21	·27
Meat ..	·03	—	·04	·04
Salt ..	·04	·05	·03	·03
Oils ..	·02	·03	·03	·03
Food adjuncts.	·07	·09	—	—
Total ..	1·54	1·37	1·69	1·87

The above table shows that convicts are better off as far as

\* Cf., e.g., R. P. Dutt, *India To-day*, p. 52; his table is not as complete as that of Mr. Gangulee, the Madras workers being left out, but a footnote is added by Mr. Dutt which answers some criticism of the original table which was published in the *Report on an Enquiry into Working-Class Budgets in Bombay*, Bombay Labour Office, 1923. The table as given by Mr. Gangulee is reproduced also in K. S. Shelvankar's *The Problem of India*, a Penguin Special.

† The first table is to be found on p. 219, the second on p. 223, of N. Gangulee, *Health and Nutrition in India*, with a foreword by Sir John Orr. The second table is composed from the memorandum of the Government of the Central Provinces to the Royal Commission on Labour,

food conditions are concerned than free labourers. This table finds confirmation in a second one :

COMPARATIVE BODY-WEIGHT OF SPINNER IN MILLS AND PRISONER IN JAILS (LBS.)

<i>Provinces</i>	<i>Average Weight of Spinner</i>	<i>Average Weight of Prisoner</i>	<i>Difference</i>
Bombay .. ..	102·09	112·12	10·03
Central Provinces ..	100·92	110·45	9·53
Burma .. ..	117·14	125·70	8·56
United Provinces ..	107·01	115·08	8·07
Bengal .. ..	107·93	115·05	7·12
Eastern Bengal and Assam	108·00	110·85	2·84
Punjab .. ..	113·08	115·05	1·97
Madras .. ..	113·64	114·38	0·75

I think further comment on the actual standard of feeding of the people is superfluous. The above tables say everything that is necessary.

\* \* \*

Though food conditions are the most important, they are not the only item which determines the living standard of the workers. There are others. One of considerable weight is housing conditions.

Even the apologetic report of the International Labour Office\* introduces its housing survey with the simple and significant sentence : "The housing conditions of the majority of the industrial workers of India are deplorable."

This general indictment is well substantiated by particular instances :

"The houses are built close to one another without sufficient space being left for streets or roads, the only approach to them being winding lanes; in most bustees (clusters of small dwellings, J. K.) there is no provision for light and air, the only opening a low door—in Cawnpore, for instance, 82·5 per cent of the dwellings inquired into had no windows. No proper provision exists for the supply of water or for drainage. . . . The effects of the lack of sanitation are aggravated by overcrowding in most of the tenements in larger industrial centres. Large numbers of tenements have only one room; the proportion of families living

\* L.c. p. 296.

in single rooms was 97 per cent in 1921-22 and 89 per cent in 1930 in Bombay, 73 per cent in Ahmedabad in 1926. . . . One of the causes of overcrowding is subletting, a common practice in the case of a considerable number of families.”\*

More recent data are given in the *Report of the Rent Enquiry Committee* in Bombay. The official summary of this report contains the following remarks :†

“The total number of persons living in rooms each occupied by 6 to 9 persons, 10 to 19 persons, and 20 persons and over is 256,379, 80,113 and 15,490 respectively. Every third person in the city, therefore, lives in such frightfully overcrowded condition. . . . Overcrowding is not the only ugly aspect of the problem. The living conditions are also appalling. Men and women are forced to live in the least possible space of a most insanitary character which is neither conducive to good health nor decent standards of morality. . . . In spite of the much talked of prosperity of the city, a very large number of its population lives in poverty. The piles of large and costly premises which are springing up everywhere are of little service to the great majority of the people who anxiously await proper housing.”

In fact housing conditions are sometimes so bad that during the hot season the workers simply have to leave their huts and quit the towns in order to survive; they have to go into the country to beg, or to the already overcrowded small holdings of their relatives. The report by the International Labour Office mentions times “when workers are impelled to leave their improvised housing in some industrial centres during seasons of intense heat or epidemics of disease.”‡

Adding the results of our short survey of food conditions to the above remarks on housing conditions, we arrive at a really terrifying picture of Indian living standards. Underfed, housed like animals without light and air and water, the Indian industrial worker is one of the most exploited of all in the world of industrial capitalism.

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\* L.c. pp. 306, 307.

† *Labour Gazette*, Bombay, September 1939, pp. 54, 55.

‡ I.L.O. *Report*, l.c. p. 159.

But it is not only home conditions that are such that the workers have to leave their homes from time to time in order to survive. Very often they have to stay away from the factories too because it is impossible to stand conditions there for any great length of time. That is one of the reasons why industrial capitalism meets with labour shortages in this densely populated country. The workers are unable or unwilling to stand working conditions in the factories for any length of time. And for this reason unemployment is doubly high—partly because not enough work is available and partly because the workers cannot continue on their job because of exhaustion and illness. And the same holds true of conditions in mines. In the Jharia mining area, for instance, 90 per cent of the adult workers were infected by hookworm.\* Summing up health conditions among Indian workers, the International Labour Office remarks: "Large numbers of people suffer from ill-health arising from malaria, hookworm and other diseases, which sap their vitality, as indicated by the high death rate."†

It has been estimated that the number of Indians suffering from malaria is about a hundred million.‡ Tuberculosis is very prevalent in the large cities and towns and it is spreading quickly to-day to the villages where in many cases this disease had not been known for hundreds of years.‡ Curiously enough, one may say that the better the health services the worse the state of health, according to the official statistics published. This is, of course, not due to the fact that better services are detrimental to the health of the Indian people. It is simply due to the fact that the better the health service, the better the general observation of health conditions, the clearer the picture of the large extent of diseases. It is typical of this state of affairs when one reads:§ "As a result of survey work during recent years, knowledge of the prevalence and distribution of this disease (hookworm, J. K.) has been greatly increased. It is now known that the disease is much more widespread in Punjab than was formerly imagined. . . ."

\* I.L.O. *Report*, l.c. p. 190.

† L.c. p. 173.

‡ See Maj.-Gen. E. W. C. Bradfield, Director-General of the Indian Medical Service, on the Indian Medical Services in *Indian Medical Review*, 1938.

§ Punjab Health Department, *Report on the Public Health Administration of the Punjab for the year 1938*, p. 18.

A large percentage of these diseases is contracted in the factories and mines themselves. "The greatest defect of Indian mines is the lack of adequate sanitation, as indicated by the presence of hookworm. . . . Insufficient arrangements for the elimination of dust in cotton, jute and woollen mills, as well as in cotton-ginning, rice-milling and tea-curing factories, where manufacturing processes give rise to a good deal of dust and may cause pulmonary disease."\* Dr. Banerjea, in his book on Indian economics, quoted before, summarizes the conditions of the people of India as follows:†

"Ill-fed, ill-clad, ill-lodged, the masses of the people of India lead a dull and dreary existence. The want of proper sustenance impairs the vigour and vitality of the people, who fall easy victims to the attacks of various kinds of disease. Having no reserve to fall back upon in difficult times, they suffer untold misery whenever there is a slight disturbing cause, such as a drought or a failure of the crops. The children of weak and unhealthy parents become weaklings, and, being themselves ill-fed and ill-bred, swell the numbers of the worthless members of society. Thus the physical deterioration of the people goes on increasing from generation to generation; and with the progress of physical degeneration, their moral stamina also tends to become less and less strong."—

Some aspects of living and working conditions have been improved in recent years. While "it is in reality premature to speak of social insurance in India,"‡ some sort of social legislation has been operating for a number of years. The origins of social legislation, chiefly factory legislation, are interesting in every country, and no less so in India. In Prussia, for instance, social legislation which at first took the form of provision against over-long working days for children, was introduced at the instance of the military authorities, who complained of poor recruiting material, resulting from the recruits' too early and too strenuous labour in their childhood. In India, social legislation—factory legislation—was introduced at the instance of the Lancashire cotton manufacturers who wanted to hamper their competitors on the Indian market. British textile interests claimed that the

\* I.L.O. *Industrial Labour in India*, pp. 190, 187.

† 5th ed., pp. 199, 200.

‡ I.L.O. *Industrial Labour in India*, p. 205.



Indian mills were getting an unfair advantage through the employment of children and women for an unlimited number of hours and at extremely low wages. Thus the first Factory Act was passed in 1881, limiting the employment of children in large factories; it also contained some clauses on health and safety. The Act was, of course, almost completely inept, as all first Factory Acts are apt to be. But in the course of time other Acts were passed and some of them did improve conditions in some respects. The Railways Act of 1930, for instance, provides for a maximum sixty-hour week, though it admits exceptions up to eighty-four hours per week. The conditions under which miners had occasionally to work sixteen and seventeen hours at a stretch were remedied by the 1928 Act, which limited the shift to twelve hours. A recent Act (1935) limited the working week in mines to fifty-four and the working day to nine hours below and to ten hours above ground. To-day, of course, if need arises the working day can be lengthened again almost without limit. When the jute mills were subjected to restrictions as regards the number of hours, they used the tricks applied by British cotton manufacturers a hundred years ago by introducing the multiple-shift system, which makes it impossible to control how long the individual workers work. The Royal Commission on Labour in India (1931),\* after laborious investigation, found what it could have discovered by glancing over the pages of the reports of the British factory inspectors of a hundred years ago: that the multiple-shift system made supervision impossible; that a number of workers who did not exist were on the register, and that the work of these non-existent workers was done by actual workers, who worked a longer working day than admitted by the law; that children were working in some factories eleven or twelve hours a day, etc. In 1931, when trade conditions in the jute industry deteriorated rapidly because of the crisis, the forty-hour week was introduced and the single-shift system adopted by the Indian Jute Mills Association. In 1936, when conditions were better, however, the fifty-four-hour week was reintroduced, and in smaller factories and mills which did not belong to the Jute Association the working week was from seventy-two to one hundred and twenty-six hours, which per-

\* *Report of the Royal Commission on Labour in India*, pp. 49-51.

mitted the employer to stretch the working day of the individual jute worker to any length. In 1939-40, under war conditions, and when trade was good and profits were high, the working day increased to sixty, only to be reduced, after the fall of Western Europe to Hitler, to thirty-four hours in 1940-41.\*

With the rising number of accidents and the increasing pressure put upon it, the Government was forced in 1923 to introduce some sort of workmen's compensation for industrial accidents and certain industrial diseases. The question was first raised in India in 1884 and almost forty years later the first practical step was taken. The number of workers covered by this first Act, however, was a small one, and a second Act was passed ten years later, in 1933, bringing some definite improvement. Even the improved Act, however, is really almost ineffective as far as industrial diseases are concerned,† and as to accidents, little is done except by the trade unions to call the attention of the workers to the fact that they have any claims when insured, while many employers contest claims and often do not insure their liability under the Act.

No doubt some improvements were made during the thirties, chiefly under the pressure of organized labour. But on the whole, the working conditions in Indian factories, mines, railways and plantations are just as barbarous as the living conditions. They are far worse than in any European country, far worse than in any Dominion with the exception of conditions among natives in South Africa, they are worse, probably, than in any South and Central American state. Moreover, many of the social laws apply only to large factories, and the system of factory inspection does not permit of regular and widespread supervision, too few inspectors being employed.

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The Indian labour movement has a very short history but it has crowded more experience and deeds of revolutionary heroism

\* Cf. Sir Charles Innes's statement at the annual general meeting of the Mercantile Bank of India Ltd., May 1941.

† The I.L.O. *Report on Industrial Labour in India* says (p. 206): "Although the Workmen's Compensation Act provides for compensation for certain occupational diseases, it has in practice only applied to accidents, and the cases of compensation for diseases are very few."

into the few years of its existence than many another labour movement into a period twice or thrice as long.

After some sporadic and isolated activities the beginnings of concerted political and trade union action fall into the last year of the previous world-war and in the years immediately following it. A large-scale strike movement began in 1918 and continued in 1919 and 1920; the spearhead of the labour movement were the textile workers, and among them the Bombay cotton workers; but railway workers, jute workers, dockers, miners and others joined the movement at different times. During the first half of 1920 about one and a half million workers went on strike.

Under these conditions a genuine Indian trade unionism emerged. A number of militant trade unions was formed and in 1920 a Trade Union Congress was founded which soon, however, fell under the leadership of a group of reformists who were propagating industrial peace and moral uplift. The All-Indian Railwaymen's Federation, founded in 1925, did not contribute to the class consciousness of the Indian proletariat. But the conciliatory attitude of the central organizations did not diminish the militancy shown by some of the individual unions and particularly failed to damp the revolutionary eagerness of the rank and file.

For each year, from 1921 to 1924, the number of men-days lost through strikes or lock-outs was never below the four million mark. What this means can easily be realized if we remember that the considerably larger number of British workers did not reach the three and a half million mark during the last eight years. In 1925, strike activity reached a high mark, 12·6 million days being lost through strikes and lock-outs. In this year the Bombay cotton workers struck successfully against an attempt to cut wages. During the next two years, strike activity was inconsiderable but in 1928 a new record of strike action and a very high level of political maturity was reached. For over thirty-one and a half million working days the workers struck or were locked out. The greatest strike in Indian history was fought by the Bombay textile workers, who stood together for six months against large wage cuts and rationalization measures, and who in the course of the strike took the offensive and made

demands of their own. A number of these demands were conceded, the wage cut was withdrawn, and Indian labour made a gigantic step forward. The masses, especially in Bombay, had become skilled fighters and a first-rate leadership began to emerge throughout the industrial centres of British India.

The British imperialists felt that the time for action had come. Legislative measures were introduced or decreed to enable them to deal rigorously with the leaders of the labour movement. Outstanding among them is the Trade Disputes Act, which made most strikes illegal—for instance, all strikes declared for causes extraneous to the industry, and all strikes intended to cause hardship, "severe, general and prolonged," to the people. So that the reformists in the labour movement could point to some "friendly acts and hopeful moves of the British Government," the Whitley Labour Commission was appointed. After these preparations the Government struck in March 1929. All over India the most active leaders of the labour movement were arrested and brought to Meerut. This was a most serious blow for the Indian labour movement. The Labour Government in Britain, which was formed in June 1929, carried on the work of its predecessor, and had the Meerut accused sentenced to heavy prison terms. It hoped thus to put in power the reformist Indian labour leadership and to render the revolutionary labour leaders of India inactive, if not for ever at least for years to come.

And, in fact, for more than seven years the Indian labour movement languished. True, the reformist wing could not gain power; on the contrary, it was pushed back even further into the background. But the revolutionary leaders had had too little time to train skilled and experienced alternative groups of functionaries to replace them when they themselves were thrown into prison. There were many eager and sincere men in the years following 1929 who tried to lead Indian labour to new victories—but inexperience and dissension caused many of their plans to fail.

The new impetus to the labour movement coincided with the last of the measures designed to crush all opposition "definitely," the formal proclamation of the illegality of the Communist Party in 1934. The fight against this ban was immediately and everywhere taken up by large sections of the labour movement,

strongly supported by the Trade Union Congress. In the same year the Congress Socialist Party was formed; its members being partially under the influence of Marxist ideas. Trade union membership, which had fallen from 240,000 in 1932-33 to 210,000 in 1933-34, rose rapidly to 285,000 in 1934-35. During the following years the strength of the labour movement grew, labour activity increased and reached a new height. In 1937 more workers than at any time during the preceding sixteen years struck; the number of working days lost through strikes and lock-outs increased to nine million, more than during the three preceding years together. Prominent among the strikes of 1937 was that of the jute workers in Bengal, who fought successfully for trade union recognition, among other demands. The election of the Congress Ministries in 1937 was partially an expression and a result of this new growth, partially it helped to expand and intensify labour and political activity in general. During the following years the Indian labour movement continued on its way to rouse the masses of the workers against the conditions under which they have to live and work, labour began to consolidate its position, and the drive for unity and activity in the fight for the national liberation of India has gained ever increasing momentum. The Trade Disputes Act for Bombay in 1938, which threatened the legality of the whole system of trade unionism, and which made strikes illegal until the cumbersome machinery of conciliation had been proved useless for the issue in question, was answered by the healing of the split within the trade union movement which to-day is united again in the Trade Union Congress.

# APPENDIX TO CHAPTER I

## LABOUR CONDITIONS IN INDIA

## I. TABLES

## 1. WAGES IN INDIVIDUAL INDUSTRIES, 1880 TO 1938

Year	(1900 = 100)						
	Cotton Industry	Jute Industry	Railways	Mining	Metal Workers	Building Workers	Plantation Workers
1880	73	—	82	—	71	85	—
1881	72	—	83	—	71	88	—
1882	78	—	84	72	72	88	—
1883	78	79	85	72	71	91	—
1884	77	80	87	72	74	89	—
1885	81	82	89	71	82	89	—
1886	84	83	88	71	77	88	—
1887	87	87	92	69	76	91	—
1888	87	88	89	73	77	93	—
1889	86	89	95	71	82	93	—
1890	88	79	92	73	85	84	95
1891	88	80	93	73	85	85	95
1892	88	82	93	74	87	85	99
1893	89	83	93	78	85	86	97
1894	89	87	94	78	86	87	99
1895	90	88	94	80	88	88	103
1896	92	89	95	80	91	91	107
1897	93	91	96	86	93	93	101
1898	93	92	97	92	96	96	100
1899	94	94	99	96	92	97	100
1900	100	100	100	100	100	100	100
1901	100	100	101	109	102	100	106
1902	101	101	102	110	102	102	98
1903	104	102	104	114	102	103	98
1904	104	106	106	116	110	108	98
1905	108	107	108	119	113	109	103
1906	108	108	111	122	118	113	109
1907	110	108	115	125	121	115	112
1908	112	113	119	134	123	118	109
1909	115	114	121	136	129	122	111
1910	120	114	126	140	132	121	114
1911	122	119	127	141	133	126	117
1912	126	117	129	142	134	126	117
1913	135	129	127	158	134	127	119
1914	134	130	128	158	133	127	116
1915	137	130	142	170	135	127	123
1916	136	130	143	197	139	136	124
1917	149	131	146	197	141	137	122

1. WAGES IN INDIVIDUAL INDUSTRIES, 1880 to 1938—*continued*

(1900 = 100)

Year	Cotton Industry	Jute Industry	Railways	Mining	Metal Workers	Building Workers	Plantation Workers
1918	171	138	161	237	143	150	130
1919	190	145	161	221	151	154	139
1920	237	184	203	233	176	176	137
1921	263	193	213	304	185	183	145
1922	275	194	213	300	190	193	156
1923	277	194	239	—	189	190	162
1924	284	193	251	222	194	199	167
1925	284	194	258	192	194	203	175
1926	276	193	266	249	194	205	182
1927	276	193	268	271	190	204	190
1928	276	195	270	261	193	202	197
1929	275	206	273	267	193	194	192
1930	275	161	277	265	189	193	188
1931	267	140	273	230	180	181	166
1932	267	127	273	194	176	175	155
1933	253	132	281	170	170	173	101
1934	234	115	290	178	169	159	97
1935	222	119	296	153	169	160	94
1936	221	137	296	151	165	155	94
1937	219	206	293	186	161	155	98
1938	221	196	299	191	161	160	99

## 2. WAGES AND THE COST OF LIVING, 1880 to 1938

(1900 = 100)

Year	Money Wages	Cost of Living	Real Wages	Year	Money Wages	Cost of Living	Real Wages
1880	82	77	106	1910	120	103	117
1881	82	62	132	1911	123	104	118
1882	85	62	137	1912	124	111	112
1883	86	62	139	1913	128	117	109
1884	86	64	134	1914	128	130	98
1885	88	65	135	1915	134	139	96
1886	88	68	129	1916	137	143	96
1887	91	76	120	1917	139	155	90
1888	91	80	114	1918	153	200	77
1889	93	77	121	1919	160	228	70
1890	90	79	114	1920	182	238	76
1891	90	80	113	1921	198	225	88
1892	92	85	108	1922	205	213	96
1893	92	83	111	1923	211	200	106
1894	93	80	116	1924	212	204	104
1895	96	80	120	1925	214	202	106
1896	99	86	115	1926	214	202	106
1897	97	102	95	1927	225	200	112
1898	97	88	110	1928	226	192	118
1899	98	84	117	1929	226	195	116

## 2. WAGES AND THE COST OF LIVING, 1880 TO 1938—continued

(1900 = 100)

Year	Money Wages	Cost of Living	Real Wages	Year	Money Wages	Cost of Living	Real Wages
1900	100	100	100	1930	220	178	124
1901	103	94	110	1931	205	146	140
1902	100	89	112	1932	196	144	136
1903	102	85	120	1933	176	137	128
1904	103	83	124	1934	170	129	132
1905	107	91	118	1935	167	133	126
1906	111	102	109	1936	168	137	123
1907	113	105	108	1937	177	144	123
1908	114	115	99	1938	178	139	128
1909	117	107	109				

## II. SOURCES AND REMARKS

There is, of course, a great amount of literature on India and the number of excellent studies on special subjects is not small. I have mentioned some of the more recent publications in the text and footnotes of Chapter IV. The book by R. P. Dutt, *India To-Day*, is of outstanding importance. I had no occasion to quote from the useful study *The Industrial Worker in India*, by B. Shiva Rao, published in 1939.

For the occupational statistics consult the *Statistical Abstract for British India*. In the same source we find the number of employed factory workers and accidents in factories.

The production data are taken from an article by D. B. Meek, "Some Measures of Economic Activity in India," *Journal of the Royal Statistical Society*, 1937; the figures for 1933 to 1938 I have estimated on the basis of production data published in the *League of Nations' Statistical Yearbook*.

The figures of productivity in mines are taken from the Annual Report of the Chief Inspector of Mines in India.

The sources for the calculation of wages in individual industries are: Generally: 1880 to 1890, *Prices and Wages in India*; 1890 to 1912, K. L. Datta, *Report on the Enquiry into the Rise of Prices in India*, vol. III. For the years since 1912 I used the following sources: Textiles, Metal Workers and Building Workers: Reports on the Administration of the Factory Act for the following provinces: North-West Frontier, Central Provinces, Madras, Delhi, Punjab, United Provinces, Bengal, Bombay. Furthermore,



for the cotton industry: The reports of the Special Tariff Board 1927 and 1937-38; the investigations of the Bombay Labour Office into wages for May 1914 and May 1921, August 1923, May and July 1926, December 1933, April and May 1934; and the data given in the Report of the Royal Commission on Labour in India (London, 1931), vol. I, p. 412, vol. III, Part I, p. 105, vol. VII, Part I, p. 147; in addition, use was made of some data given in the Fifth Quinquennial Census, 1934, for the United Provinces; in the Census of India, 1931, vol. XV, Part I, p. 22, and in *Prices and Wages in India*. Additional material for wages in the jute industry was found in the Report of the Royal Commission on Indian Currency and Finance, 1926, vol. I, p. 131, in the Report of the Royal Commission on Labour in India, 1931, the statement of the Bengal Employers' Association, vol. V, Part I, p. 302, and in *Prices and Wages in India*. Furthermore, material on wages of metal workers was found in the Report of the Royal Commission on Labour in India, vol. IV, Part I, p. 67 and p. 177. Wages in the mining industry after 1912 were calculated for the years 1912 to 1922 on the basis of data given in *Prices and Wages in India*, and for the following years they comprise the wages of underground miners in Bihar (Jharia) and Bengal (Raniganj) as given in the Annual Report of the Chief Inspector of Mines in India. The wages of the railroad workers up to 1920 were calculated on the basis of data given in *Prices and Wages in India*; for the following years I used the data on employment and payrolls given in the Reports by the Railway Board on Indian Railways. Wages of plantation workers after 1912 were computed on the basis of data given in the Reports on Immigrant Labour in the Province of Assam, and in the Annual Reports on the Working of the Tea Districts Emigrant Labour Act; all data refer to workers on tea plantations. The wages for different workers' categories and workers in different factories within one industry were not weighted; wages for workers in the different provinces were weighted according to the number of employed, with the exception of wages for metal and building trade workers, where no weights were applied.

In calculating the general index of wages I weighted the individual wage series according to the number of workers

employed, regarding the wages paid on the tea plantations as representative in their movement for all plantation workers.

The cost of living index was computed by using retail prices of food grains given in *Prices and Wages in India* for the years 1880 to 1890 and 1912 to 1914; for the years 1890 to 1912 I used Datta's index given in vol. II of his above-mentioned report; for the years 1914 to 1938 the following sources were used: 1914 to 1938, cost of living in Bombay; 1929 to 1938, cost of living in Ahmedabad; 1931 to 1936, cost of living in Rangoon; 1935 to 1938, cost of living in Lahore; sources for these cost-of-living figures are the Yearbook of Labour Statistics of the International Labour Office and the Labour Gazette, Bombay.

The reader must be warned against using any of the figures given in this chapter as absolutely accurate. The ten-year averages are useful and give a correct picture, though errors of several per cent should not be surprising; the year to year figures are given as material for the ten-year averages but it is quite possible that, for instance, instead of a small increase of real wages which the figures indicate from one year to another, real wages have in fact declined slightly and vice versa; the same holds true of cost-of-living changes or money-wage changes from year to year.

## CHAPTER II

### LABOUR CONDITIONS IN CANADA

IN development and structure, Canada is one of the most curious of all capitalist countries. In size it is almost as large as the whole of Europe. In population it is only a little larger than Greater London.

The wealth of the country—apart from undeveloped resources—is about as great as the annual income of Great Britain. The preponderant industry (as measured by capital investment) is agriculture. More than one-fifth of the total wealth of the country is agricultural capital; if we add to this the capital represented by the forestry industry we find that almost one-third of the national wealth is represented by agriculture and forestry.

However, while agriculture and forestry represent the largest single item of the national wealth, another industry dominates in annual production: manufactured production makes up about half of the value of the year's production. The total number of wage earners (like that of the total population) is relatively small. An official estimate gives the figure in 1939 as no more than 2·7 millions. There are no reliable estimates of the number of wage earners for any year prior to 1921. I should say that it is doubtful whether the number of wage earners around 1900 was larger than one million. The total number of occupied persons at that time was 1·8 million, of whom over seven hundred thousand were engaged in agriculture. Only a small percentage of the agricultural population was made up of wage earners. Since eighty thousand persons were engaged in professional pursuits and one hundred and seventy thousand in trade and merchandising, and since these occupations at that time did not employ many wage or salary earners, the total figure of one million wage earners for 1900 is rather an over-estimate than an under-valuation of the size of the Canadian proletariat.

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The size of the proletariat has grown rapidly since 1900, especially in the years preceding the previous world war. The increase in the size of the total population of Canada in the years from 1900 to 1914 is greater than that of any other country during this period. This is due partly to high fecundity, but to a much greater extent to immigration. Between 1900 and 1914 almost three million people immigrated, of which less than one-sixth turned to agricultural pursuits. The chief gains were made by transport, mining, manufacturing, and trade and merchandising. The world war considerably furthered the development of manufacturing, mining and transport. To-day Canada is a country which produces large quantities of industrial products, and which has created for the purpose of this production a large proletarian section within its population.

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Canada is a British Dominion. It was developed largely by British capital. If we estimate the total capital invested in Canada around the turn of the century at about four thousand five hundred million dollars we find that about one-quarter of this amount was owned by British capitalists resident in Britain, while about 4 per cent was owned by American capitalists residing in the United States. It is not improbable that little less than one-third of the capital invested in Canada was owned by capitalists—chiefly British—residing outside the Dominion.

This situation changed in some ways before the first world war. Between 1900 and 1913 British investments in Canada increased about two and a half times; American investments increased about five times, and investments by other countries (which in 1900 amounted to 1 per cent of all foreign investments) increased more than twelve times. It is improbable that Canada's total capital investments during this period have increased relatively more than the total of foreign investments. The hold of foreign capital upon Canada was very probably the same just before the outbreak of the war as during the turn of the century.

During the war, British investments remained approximately stable, while American investments more than doubled; other investors rather tended to withdraw some of their capital. Again, Canada was not able to shake off the foreign investors.

The percentage of foreign capital remained probably about the same at the end of the war as it was before it began.

In 1922, American investments in Canada surpassed the amount Great Britain had invested. Canada became in effect an economic dominion of the United States. To-day, American investments are probably twice as high as the British—investments by other Powers are insignificant—and the percentage of the total capital invested in Canada which does not belong to Canadians is about as high as forty years ago.

During all the years of rapid development which have ensued since the turn of the century the share of foreign capital has remained about the same, fluctuating between one-quarter and one-third of the total capital invested.

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Yet Canada cannot be regarded simply as a British or British-American colony. The exploitation of the Canadian worker is not greater than that of the British or American worker; the Canadian worker does not live and work at the standard of an African native or an Indian worker. The period of simple robbery of land and mineral resources is passed. And a large number of foreign capitalists have settled in Canada herself; they have become "natives"; they are the native capitalists. They regard themselves as the equals of the capitalists who have remained in Britain or the United States. And in fact, they are in many respects their equals. Thus, the British and American capitalists, through their investments, can make no large extra profits, either by forcing the Canadian capitalists to share their profits with them, or by forcing the Canadian workers to live at a standard far below that of the British and American workers. The chief source of wealth for the British and, to a smaller degree, for the American investors, was the primary accumulation during the nineteenth century.

But if the British and American investors to-day do not make extra profits by squeezing the Canadian capitalists and by enforcing a specially low standard of living upon the Canadian workers, this does not mean that they do not make any extra profits at all.

Firstly, the political ties which still bind Canada closer to Britain than to any other country give Britain a considerable trading advantage over other countries, which finds expression in Canadian and British tariff legislation (e.g. Ottawa), and in the net profits which British exporters of manufactured goods can make in Canada as compared with the profits made by exporters of other countries to Canada. This relation between Canada and Great Britain, however, is changing during the present war in favour of the United States.

Secondly, the great natural resources of Canada, joined to Britain through political and economic ties, form a wonderful hinterland for British imperialism. Since, for agricultural products—in contrast to forestry products—the United States are rather the rivals of Canada as an exporter, than of Britain as an importer, the Canadian capitalists have not the advantage of playing off the United States against Britain and are, therefore, more dependent upon Britain than one would expect from the respective capital investments. This is all the more interesting since, while exports to Britain and the Empire were greater than those to the United States, imports from the United States were about twice as high as those from Britain and the Empire. Only during the present world war have the United States gained definite economic supremacy.

Thirdly, the control of some of the natural resources of Canada, especially nickel, helps British capitalists to create world monopolies, which always bring extra profits.

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Now, if we study the living and working conditions of Canadian labour we realize that the Canadian proletariat is, compared with that of other capitalist countries, relatively small; that it does not occupy the ordinary position of colonial labour, but that its standard of living corresponds on the whole to that of the British and American proletariat; that its parentage is to a great percentage foreign-born, and that, in spite of the largely agricultural character of the country, it is composed only to a very small degree of agricultural workers.

As with all other workers, the most important factor in the

life of the Canadian workers is the wage they get, and its purchasing power. Wage rates in a number of important industries have developed as follows:

WAGE RATES IN INDIVIDUAL INDUSTRIES, 1901 TO 1939\*

(1913 = 100)

<i>Industries</i>	<i>1901-08</i>	<i>1909-14</i>	<i>1915-22</i>	<i>1923-33</i>	<i>1934-35†</i>
Building Trades ..	72	91	138	180	164
Metal Trades ..	77	94	155	178	179
Printing Trades ..	69	94	145	195	188
Electric Railways..	74	91	149	191	189
Steam Railways ..	77	95	159	192	191
Coal Mining ..	87	98	160	172	169
Common Factory Labour ..	—	—	158	183	187
Logging and Saw- milling ..	—	—	146	171	174
Agriculture‡ ..	—	—	189	172	119

Wages in all industries up to 1920 showed a tendency to increase. Up to the war, wages increased most in the building and printing industries; they increased exceptionally little in coal mining. During the war, wages rose outstandingly in agriculture in order to keep the agricultural workers on the land and to prevent them from going into the war industries. Next followed the wages of steam railways and in the metal trades. In the slump following the war years, including the deep crisis of 1921, wages generally fell rapidly. The fall was steepest in agriculture, logging and sawmilling, and in the metal industries; curiously enough, wage rates in the coal industry and in the printing trade still increased in 1921 and fell only slowly in the following years. In the middle of the twenties wages began to rise again slowly up to 1929 and 1930, except in the coal industry, where they fell heavily from 1924 to 1925 and then remained about stable. During the crisis of 1929 to 1933 wage rates fell universally. The fall was greatest again in agriculture, closely followed by logging and sawmilling and by building. About the middle of the thirties they began again to rise.

The following table gives a general index of wage rates and

\* Wages by individual years see Appendix to Chapter II.

† Incomplete trade cycle.

‡ 1914 = 100.

at the same time an index of actual earnings, taking into account wage-losses through unemployment and short-time; that is, it gives gross as well as net wages. The index of the cost of living and the index of net real wages show the development of the purchasing power of the workers in Canada.

## WAGES IN CANADA, 1900 TO 1939\*

(1900 = 100)

<i>Trade Cycle</i>	<i>Gross Money Wages</i>	<i>Net Money Wages</i>	<i>Cost of Living</i>	<i>Net Real Wages†</i>
1901-08	114	—	110	105
1909-14	143	—	137	105
1915-22	244	259	211	122
1923-33	279	246	213	114
1934-39‡	263	194	183	106

If we compare the development of gross and net money wages we clearly see the difference between what the Canadian worker gets theoretically and what he gets actually. During the war and the first post-war years, net wages were higher than wage rates because of a large amount of overtime work and a relatively low figure of unemployment. But in the following years, and especially in the thirties, short-time and unemployment robbed the worker of a very high percentage of his wages.

As to real wages, the table shows that during the first two cycles, real wages remained about stable; they rose during the war; and since then they have declined again to a level which is the same as that prevailing at the beginning of this century. Thus, the purchasing power of the Canadian worker is no higher to-day than it was forty years ago.

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But the above wage-table tells only a small part of the story. True, the Canadian worker can buy to-day about as much as forty years ago. But he is menaced to a much greater degree by

\* Wages by individual years see Appendix to Chapter II.

† 1900 to 1916 gross real wages; 1916 to 1939 net real wages.

‡ Incomplete trade cycle.



unemployment, the insecurity of his job has increased rapidly, and in addition he has to work much harder for the purchasing power he gets; the intensity of work has increased considerably.

As to the development of unemployment, our data unfortunately do not go back further than 1916. Since then unemployment has developed as follows:

#### UNEMPLOYMENT, 1916 TO 1939

<i>Year</i>	<i>Percentage</i>	<i>Year</i>	<i>Percentage</i>	<i>Year</i>	<i>Percentage</i>	<i>Year</i>	<i>Percentage</i>
1916	3.7	1922	7.0	1929	4.2	1934	20.6
1917	1.9	1923	4.9			1935	19.0
1918	1.8	1924	7.1	1930	12.8	1936	16.7
1919	3.4	1925	6.9	1931	17.4	1937	12.5
		1926	4.6	1932	26.0	1938	15.1
1920	4.6	1927	2.8	1933	26.5	1939	14.1
1921	8.9	1928	2.5				

During the war, unemployment was relatively low, as it was in most countries, though it seems that it was somewhat higher than in the warring countries in Europe. During the crisis of 1921, unemployment rose naturally, but not to any extraordinary heights. During the twenties, unemployment was comparatively high in some years, but on the whole it stood at a low level, which did not differ very much from that in former periods of peace and increasing trade activity. This is an important fact: up to the last world economic crisis, Canadian economy did not suffer to the same degree as did the economy of the United States or of the European countries, from that terrible disease of imperialism and of capitalism in decay—from high unemployment during the “phase between two crises.” But the world crisis of 1930–33 brought a change. Not only did unemployment reach probably unprecedented heights in Canadian economic history during the crisis, but after the passing of the world crisis unemployment remained very high. Canada has joined most other capitalist countries in suffering from high unemployment during the phase of increasing trade activity.

There are no reliable and general short-time statistics available, but a survey of the number of days worked in the coal mines per year gives a picture of the extent of short-time in at least one important branch of national economy:

## NUMBER OF DAYS WORKED IN COAL MINES, 1921 TO 1939

<i>Year</i>	<i>Number of Days</i>	<i>Year</i>	<i>Number of Days</i>	<i>Year</i>	<i>Number of Days</i>	<i>Year</i>	<i>Number of Days</i>
1921	228	1926	244	1931	185	1936	225
1922	229	1927	251	1932	177	1937	235
1923	250	1928	249	1933	182	1938	208
1924	221	1929	252	1934	214	1939	228
1925	231	1930	219	1935	216		

In none of these years was the full number of about three hundred working days reached. In all the twenty years under review, only twice did the workers work, on an average, more than two hundred and fifty days. In the first five years under review they worked four times for over two hundred and twenty-five days; in the second five years, again four times; in the third, not a single time; and in the last four years, twice.

The influence of short-time on the wages of the workers undoubtedly increased very much during the thirties. There can be no doubt that, on the whole, the insecurity of the worker increased very rapidly during the thirties, while in the twenties, it probably showed but a slight increase as compared with former times.

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While the insecurity of work has increased, the intensity of work has, doubtless, risen too. Unfortunately, there are no statistics available showing the increase in the intensity of work. But the data available showing the increase of productivity, that is, the increase of intensity of work combined with technical progress, indicate a really enormous increase. Increased fatigue experienced by the workers, which is not denied by any authority, proves that an increasing part of the rising productivity is due to increased intensity of work.

## PRODUCTIVITY IN MANUFACTURING INDUSTRIES, 1917 TO 1940

(1917 = 100)

<i>Year</i>	<i>Employment of Wage Earners</i>	<i>Volume of Production</i>	<i>Production per Wage Earner</i>
1917	100	100	100
1918	99	102	103
1919	96	98	103

## PRODUCTIVITY IN MANUFACTURING INDUSTRIES,

1917 TO 1940—*continued*

(1917 = 100)

<i>Year</i>	<i>Employment of Wage Earners</i>	<i>Volume of Production</i>	<i>Production per Wage Earner</i>
1920	96	95	99
1921	69	86	124
1922	71	96	135
1923	80	105	131
1924	77	103	134
1925	83	113	135
1926	89	128	143
1927	95	137	143
1928	101	149	147
1929	107	158	148
1930	98	143	146
1931	81	124	154
1932	71	105	149
1933	71	105	149
1934	79	124	157
1935	85	136	161
1936	91	149	165
1937	101	167	166
1938	98	145	148
1939	99	161	163
1940	116	199	172

Productivity within the relatively short time under review has increased by more than two-thirds. And a not inconsiderable part of this increase has been due to an increase in the intensity of work.

If we now look back at the development of real wages, we see that the workers, in fact, are very much worse off to-day than they were forty years ago: they receive about the same purchasing power but jobs are less secure, and the amount of work they have to do is very much greater. How much greater, even the above high figures do not fully indicate, since they do not take into account the shortening of the working day,\* and therefore they give productivity figures with a downward bias which is greater with every year down to the present times.

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\* The number of hours worked has, during the twentieth century, not differed essentially from that in Britain.

No wonder that under conditions of increasing intensity of work the accident rate in Canada has increased considerably. But while this is not astonishing, it is almost incredible that there are no reliable accident statistics of a general nature available for Canada as a whole. Workmen's compensation in Canada is operated by provinces, the figures for the individual provinces are not strictly comparable with each other, nor are the figures for each province comparable for any length of time. But the comparable figures which we have show a very definite increase in the number of accidents, as compared with the number of workers employed.

The whole system of social legislation in Canada is even more unsatisfactory than in most other countries. Only in recent years has some improvement been made in assistance to the unemployed; but unemployment assistance schemes, just as all other important branches of social legislation, are chiefly in the hands of the provincial authorities, and while in some of them real progress in social legislation has been made and conditions are comparable at least with those prevailing in Britain, for instance, in others conditions are considerably worse.

The uneven development of social legislation in the different provinces finds its more important counterpart in widely varying labour conditions. In fact, there are few countries in which labour conditions are as varied as in Canada, even when comparing one big city with another. The reason for this is that some parts of the country have felt the impact of modern U.S.A. conditions where the purchasing power of the workers is relatively higher than in most other countries, and where also the pace of modern industry takes more out of the workers than in most countries—while other parts of the country are still in a state reminiscent of the nineteenth century (very long hours of work, extreme congestion in housing, sweat shops, etc.). The latter are well represented by Quebec, where, according to statistics published in the *Semaine Commerciale* of January 22, 1937, about 80 per cent of the workers received wages lower than the minimum required for a decent standard of existence, where at about the same time grocery clerks of fourteen to twenty years of age were receiving less than four dollars a week, and where

men in the bakeries were still working seven days a week and twelve to fourteen hours per day.\*

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While the actual purchasing power of the Canadian worker was, before the present war started, about as high as in the beginning of the century, while his economic security was considerably less because of the increase of unemployment, and while the working day, because of the increased intensity of work, was considerably more exhausting, at the same time his relative position in society is considerably worse to-day than forty years ago. The rich have become a good deal richer, while the position of the poor has deteriorated.

Unfortunately, no reliable data are available for the whole of the twentieth century, and even for the last twenty years no comprehensive, and at the same time detailed, figures are available to compute an index of the relative position of labour in general. It is, however, possible to compute an index of the relative distribution of the products of manufacturing industries:

RELATIVE POSITION OF THE WORKER IN RELATION TO THE  
DISTRIBUTION OF MANUFACTURED PRODUCTS, 1917 TO 1939  
(1917 = 100)

Year	Production per Capita of Manufactures	Real Wages per Worker	Relative Position per Worker
1917	100	100	100
1918	101	99	98
1919	95	97	102

\* The difference in the general standard of living in different parts of Canada can be realized very clearly from a comparison of certain aspects of life in Ontario and Quebec:

Aspect	Ontario	Quebec
Population (1939) .. .. .	3,752,000	3,210,000
Rural Population (1931) .. .. .	1,335,691	1,060,649
Total Acreage (1939) .. .. .	9,086,600	6,142,100
Number of Tractors on Farms (1931) .. .. .	18,993	2,417
Number of Automobiles on Farms (1931) .. .. .	125,716	26,877
Infant Death Rate, per 1,000 (1939) .. .. .	47	78
Death Rate, Tuberculosis, per 100,000 (1934) .. .. .	37	92
Salaries and Wages per Employee in Manufacturing (1938) .. .. .	\$1,164	\$995
Average Teacher's Salary (1934) .. .. .	\$1,141	\$512

It is of interest that the feudal system in Quebec was formally liquidated only in 1935. Cf. the interesting article by Mr. David Martin, "Fascism Comes to Quebec," *Current History*, November 1937.

RELATIVE POSITION OF THE WORKER IN RELATION TO THE  
DISTRIBUTION OF MANUFACTURED PRODUCTS,

1917 TO 1939—continued

(1917 = 100)

<i>Year</i>	<i>Production per Capita of Manufacturers</i>	<i>Real Wages per Worker</i>	<i>Relative Position per Worker</i>
1920	90	96	107
1921	79	89	113
1922	87	89	102
1923	94	92	98
1924	91	91	100
1925	98	92	94
1926	109	93	85
1927	114	95	83
1928	122	95	78
1929	127	93	73
1930	113	83	73
1931	97	77	79
1932	81	67	83
1933	79	66	84
1934	92	72	78
1935	101	75	74
1936	109	78	72
1937	121	85	70
1938	104	80	77
1939	115	85	74

## RELATIVE POSITION OF THE WORKER, 1917 TO 1939

(1917 = 100)

<i>Trade Cycle</i>				<i>Index</i>
1917-22*	..	..	..	104
1923-33	..	..	..	85
1934-39*	..	..	..	74

An ever-decreasing proportion of nationally manufactured products goes to the workers. Part of their growing share the employers use to heighten their standard of living, and part they use to accumulate capital. To accumulate capital means that they build new factories, new machines, new tools in order to increase production further, in order to enlarge their means of exploitation, in order to get more profits.

If we compute an average index of the social position of the workers by trade cycles we find that the position of the workers

\* Incomplete cycle.

has deteriorated from 1917-22 to 1923-33 by one-fifth, and during the following trade cycle again by over 10 per cent.

The abyss between the rich and the poor, between the ruling class of the country (whether native capitalists, British or American investors) on the one hand and the masses of the people on the other hand, has been widened in the last twenty years to an extraordinary degree.

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The dependence of Canadian capitalism upon foreign capital, at first chiefly British and later on American, finds a curious counterpart in the development of the Canadian labour movement.

The first trade unions in Canada were formed about a hundred years ago, in the thirties of the nineteenth century.\* In contrast to the history of the early period of trade unionism in many other countries, a number of the early Canadian trade unions are still in existence to-day, among them the Typographical Society of Toronto and the Stone-Cutters' Union of Montreal, both founded in 1844. The spirit of these trade unions was the same as that which animated the British unions formed at that time. The British unions which came into being in the forties were the second generation in the history of British trade unionism, the generation which brought forth many unions still in existence to-day. The Canadian trade union movement, assimilating at once the early experiences of the British trade union movement, jumped the first stage of the British development and often began soon to become respectable in certain parts of the country; it showed the same business spirit which the British unions had then developed—the Canadian unions soon declared that they really wanted to co-operate with the employers—just like the British trade unions. Quite significant in this respect is the motto of the above-mentioned Typographical Society of Toronto: "United to support, not combined to injure." The trade union was a worker's assistance organization, but not

\* The first Canadian trade union of which we have record seems to have been the typographical organization of Quebec, founded in 1827.

an organization to injure the position of the employers. The similarity of spirit between the Canadian and British trade unions, easily explained by the immigration of skilled British workers, found further expression around the middle of the century by the formation of branches of British trade unions in Canada. The Amalgamated Society of Engineers established a branch at Toronto in 1850, and in the following years it spread to other cities. In 1860, another British trade union, the Amalgamated Society of Carpenters and Joiners, appeared in Canada. The stone-masons also tried to expand from Britain into Canada. During the sixties, the American trade unions appeared in Canada. The first was probably the Iron Molders' Union of North America; then came the Typographical Union, the Cigar Makers' Union and many others.

At the same time "native Canadian" unions were formed, especially among the shipbuilding workers, the tailors and bakers. But these "native unions" form the minority of the Canadian unions. In the last quarter of the nineteenth century the British influence began rapidly to be reduced in favour of American influence. The increasing influence of U.S. trade unionism in Canada fortified the position of business unionism and, in spite of many counter-movements, kept it in the saddle up to the present time.

The number of trade unionists, through all this period up to the present time, has always been very small. In 1911, when the first official count was made of the total number of trade unionists, there were no more than one hundred and thirty-three thousand members. To-day their number is around four hundred thousand, that is, just about 15 per cent of the total number of workers.

The strike record of the Canadian labour movement has been well known only since the beginning of this century. And the story which it tells indicates that, regarded as a whole, the labour movement made little use of this important weapon; it shows the predominance of the spirit of business trade unionism which has killed again and again any progressive movement, which, to a large extent, has made of the heroic deeds of many labour leaders, and many promising movements, a memory instead of a living experience. The following table gives the number of striking workers and the number of strike days.



## STRIKES AND LOCK-OUTS, 1901 TO 1940

*(In thousands)*

<i>Year</i>	<i>Number of Workers</i>	<i>Working Days Lost</i>	<i>Year</i>	<i>Number of Workers</i>	<i>Working Days Lost</i>
1901	28.1	632.3	1921	22.9	956.5
1902	12.3	120.9	1922	41.1	1,975.3
1903	50.0	1,226.5	1923	32.9	768.5
1904	16.5	265.0	1924	32.5	1,770.8
1905	16.2	217.2	1925	25.8	1,744.0
1906	26.1	359.8	1926	24.1	296.8
1907	36.2	622.0	1927	22.7	165.3
1908	25.3	708.3	1928	18.2	238.1
1909	17.3	871.8	1929	12.9	152.1
1910	21.3	718.6	1930	13.8	91.8
1911	30.1	2,046.7	1931	10.7	204.2
1912	40.5	1,099.2	1932	23.4	255.0
1913	39.5	1,287.7	1933	26.6	317.5
1914	8.7	430.1	1934	45.8	574.5
1915	9.1	106.1	1935	33.3	284.0
1916	21.2	208.3	1936	34.8	277.0
1917	48.3	1,135.0	1937	71.9	886.4
1918	68.5	763.3	1938	20.4	148.7
1919	139.0	3,942.2	1939	41.0	224.6
1920	52.2	886.8	1940	60.6	266.3

During the last fifteen years, there has not been a single year in which the Canadian labour movement struck for a million days at least; in fact, there were only two years when they struck more than half a million days. Since 1921, there were only two years, 1937 and 1940, in which at least fifty thousand workers struck—that is, in which at least  $2\frac{1}{2}$  per cent of the workers at one time or another were on strike. In fact, the only year on record with more than 5 per cent of the workers on strike is 1919.

This general picture, however, must not obscure one important fact: while strike activity in general has been extremely low in Canada, there have been some years when the labour movement was very active indeed, and furthermore, there is one industry with a great record of resistance and aggression against the employers—the coal mining industry. Of the 26.3 million strike days since 1901 about nine and two-thirds have been fought by the coal miners. If we realize that the miners at no time formed even 5 per cent of the workers, and that they

fought more than one-third of all strike days, then we must express admiration for this determined section of the Canadian working class.

There are two outstanding strike periods in the history of the Canadian labour movement during the twentieth century: the first one comprises the years before the first world war; the second one the years at the end of the world war. The strikes before the world war 1914-18 were chiefly economic strikes for higher wages and shorter hours, and strikes for recognition of the unions, often very bloody, handled brutally by the authorities who called in the police and the militia against the workers. These strikes, on the whole, were successful. About half of the strike days are accounted for by the strikes of the miners.

The second strike period is significant because of the highly political character of many of the strikes. A syndicalist political trend, sympathetic to the Soviet Union, violently opposed to reformism, began to gain great influence in the West-Canadian trade unions. The "One-Big-Union" movement, directed against craft-unionism, for regional action, for regional and, when possible, general strikes, not conscious of the necessity of a political party, believing in trade unionism as the sole representative movement of labour and its sole directing force, rapidly gained in influence in the Western Provinces. A large part of the strike activity in 1919 was under its influence, and its greatest fight was the general strike in Winnipeg, when the Winnipeg Trades and Labour Council, which was under its influence, took control of the municipal services. The movement embraced the farmers too; in some meetings farmers demanded a workers' and farmers' government. Demands made by labour, in addition to economic items, included the withdrawal of troops from Russia, the release of the political prisoners in Canada, a re-organization of the labour movement on an industrial basis, the dictatorship of the proletariat. The first conference of the movement, which took place in March 1919, sent fraternal greetings to the Russian workers and to the Communist Party of Germany.

During these years of greatly increased strike activity the Canadian proletariat acquired valuable experiences—but the leadership of the progressive movement within the trade unions

was not trained in political fighting, did not realize some of the essentials of the strategy and tactics of the labour movement, and after a relatively short time, the One-Big-Union movement lost its hold on the labour movement and some of its leaders returned into the official fold of reformist business trade unionism. The Communist Party, founded in 1922, was not able to take over the effective leadership of the labour movement. By 1923 the Canadian labour movement had lost the initiative; the high figures of strike days in 1924 and 1925 are 90 per cent due to the strikes of the miners against wage cuts.

There is a third period of considerable militancy among the workers which is not reflected in the above figures: the struggles of the unemployed workers—culminating in 1935 in the strike of the relief camp workers and in their march to Vancouver, where they seized the public library and forced the authorities to give them relief. From Vancouver they began the On-to-Ottawa trek, which was brutally stopped at Regina. Members of the Workers' Unity League were prominent in most militant actions of the workers during these years; the League took the initiative in the drive to organize the miners, garment workers and the lumber camp workers more effectively. The League, which in 1937 had more than forty thousand members, unified its movement in that year with The Trades and Labour Congress of Canada, the big trade union organization which at that time until 1939 comprised most of the Canadian unions, including those directed by the American Federation of Labor and the Committee, later Congress, of Industrial Organizations.

To-day the Canadian labour movement is sadly split. The American Federation of Labor officials of the Trades and Labour Congress forced through the expulsion of the Congress of Industrial Organizations unions from the central organization, although there is still collaboration between the unions belonging to the two organizations on a local scale.\* The Catholic trade unions, under reactionary leadership, try to keep the increasing militancy of the workers in check. Many progressive labour leaders are imprisoned. And yet, the activity of the labour

\* C.I.O., A.F. of L. and the Railroad Brotherhoods comprise roughly 60 per cent of the Canadian trade union membership; Canadian unions make up the remaining 40 per cent.

movement is increasing and 1939 and 1940 brought a number of fine successes (the cotton workers' strike in Milltown, and the thorough organization and strike activity of the seamen) in a period which generally is characterized by a deterioration of labour conditions. To-day the Canadian labour movement stands united behind the war waged against German Fascism.

## APPENDIX TO CHAPTER II: LABOUR CONDITIONS IN CANADA

## I. TABLES

## 1. WAGE RATES IN INDIVIDUAL INDUSTRIES, 1901 TO 1940

(1913 = 100)

A SHORT HISTORY OF LABOUR CONDITIONS

LABOUR CONDITIONS IN CANADA

Year	Building Trades	Metal Trades	Printing Trades	Electric Railways	Steam Railways	Coal Mining	Common Factory Labour	Logging and Saw- milling	Agri- culture*
1901	60	69	60	64	69	83	—	—	102
1902	64	70	62	68	72	84	—	—	103
1903	67	73	63	71	75	85	—	—	105
1904	70	76	66	73	77	85	—	—	107
1905	73	79	69	74	75	86	—	—	112
1906	77	80	72	76	79	87	—	—	116
1907	80	82	78	81	81	94	—	—	118
1908	82	85	81	82	86	95	—	—	123
1909	83	86	83	81	86	95	—	—	127
1910	87	89	88	86	90	94	—	—	133
1911	90	91	92	88	96	98	95	96	139
1912	86	95	96	92	98	98	98	99	146
1913	100	100	100	100	100	100	100	100	151
1914	101	101	102	101	101	102	101	95	100
1915	102	102	104	98	102	102	101	89	106
1916	102	107	106	102	106	112	110	110	123
1917	110	128	111	115	125†	131	129	130	189
1918	126	155	124	143	158	158	152	151	211
1919	148	180	146	163	184	171	180	170	237
1920	181	209	184	194	221	198	215	203	254
1921	171	187	193	192	196	208	191	153	207
1922	163	174	192	184	184	198	183	159	184
1923	166	174	189	186	186	198	182	170	189
1924	170	176	192	186	186	192	183	183	197
1925	170	175	193	188	186	168	186	179	198
1926	172	177	193	188	186	167	187	181	198
1927	179	178	195	190	198	168	188	183	203
1928	186	180	198	194	198	169	187	184	196
1929	198	185	202	199	204	169	188	186	194
1930	203	187	203	199	204	169	188	184	173
1931	196	183	205	199	199‡	169	183	163	136
1932	178	175	194	191	184	164	174	141	106
1933	158	169	184	183	180	162	168	122	100
1934	155	168	184	182	174	163	171	145	105
1935	160	170	185	184	184	166	175	152	111
1936	161	170	185	186	184	166	180	166	116
1937	165	187	188	191	196	167	196	188	124
1938	169	189	191	194	204	174	200	197	125
1939	171	190	192	195	204	175	201	194	131
1940	175	198	195	200	204	176	208	201	—

\* Two series of wage figures; in the first one, 1900 is equal 100; it gives the rate of wages; the second one gives average wages of farm help as estimated by crop correspondents of the Dominion Bureau of Statistics; the wages are computed as yearly wages.

† Including some increases effected near the end of the year.

‡ Including a 10 per cent decrease for certain classes toward the end of the year.

## 2. WAGES IN CANADA, 1900 TO 1939

(1900 = 100)

<i>Year</i>	<i>Gross Money Wages</i>	<i>Net Money Wages</i>	<i>Cost of Living</i>	<i>Net Real Wages*</i>
1900	100	100	100	100
1901	102	—	99	103
1902	105	—	100	105
1903	110	—	102	108
1904	111	—	102	109
1905	115	—	111	104
1906	119	—	117	102
1907	124	—	124	100
1908	128	—	122	105
1909	130	—	125	104
1910	136	—	130	105
1911	141	—	134	105
1912	147	—	141	104
1913	151	—	143	106
1914	153	—	146	105
1915	156	—	147	106
1916	170	170	156	109
1917	209	251	189	133
1918	242	285	216	132
1919	282	310	240	129
1920	327	349	272	128
1921	292	288	245	118
1922	274	266	225	118
1923	280	278	226	123
1924	285	269	222	121
1925	283	271	223	122
1926	285	278	225	124
1927	291	283	223	127
1928	292	283	223	127
1929	296	280	226	124
1930	292	246	223	110
1931	273	204	200	102
1932	251	162	183	89
1933	237	153	174	88
1934	241	170	177	96
1935	249	177	177	100
1936	254	187	180	104
1937	273	212	187	113
1938	280	202	189	107
1939	283	214†	187	114†

\* 1900 to 1916 gross real wages; 1916 to 1939 net real wages.

† Preliminary figure.

## II. SOURCES AND REMARKS

No book exists containing a general survey of labour conditions or of the history of the labour movement since industrial capitalism came to Canada. Useful material on the history of Canadian trade unionism can be found in Harold A. Logan's *History of Trade-Union Organization in Canada* (Chicago, 1928).

The statistics of wage rates in individual industries are taken from *Wages and Hours of Labour in Canada*, issued yearly as a Supplement to *The Labour Gazette*. The index of gross money wages is calculated by combining the general index of wages given in the above publication with the wage data on agriculture given in the same publication. The index of net wages combines the following wage-series: yearly earnings in manufacturing industries (cf. *The Canada Year Book*), earnings in coal mines (cf. *Wages and Hours of Labour in Canada*), yearly wages in agriculture (cf. *Wages and Hours of Labour in Canada*); from the resulting index wage losses through unemployment (1916 to 1920 trade union data, 1921 to 1939 general unemployment estimates, cf. *The Canada Year Book*, 1939 and 1940) were deducted. When combined, the individual wage-series were weighted according to the number of employed. The wage data for 1900 were taken from *Board of Inquiry into Cost of Living in Canada*, Vol. II, p. 427, Ottawa, 1915.

The index of the cost of living for the years 1900 to 1913 is composed of the following series: prices of food, fuel and lighting for the years 1900, 1905, 1909 to 1913 (above-mentioned cost-of-living inquiry, p. 76); prices of rent for the same years (above-mentioned cost-of-living inquiry, p. 379); weight given to rent (20 per cent of total cost of living); interpolations were made with the help of the index of wholesale prices (above-mentioned inquiry, p. 158). For the years 1913 to 1939 the official cost-of-living index was used.

The number of days worked in coal mines is given in the study on *Wages and Hours of Labour in Canada*. The productivity figures are given for the years 1917 to 1936 in *The Canada Year Book*, 1939, p. 421; figures for the years 1937 to 1940 added on the basis of data given in *Monthly Review of Business Statistics*, published by the Dominion Bureau of Statistics.

The data on strikes are published regularly in *The Canada Year Book* and in *The Labour Gazette*.

The statistical material for Canada is far better than that for India and superior also to that published in Great Britain. This holds true especially for the wage material, principally because of the regular publication of statistics of actual average earnings.



### CHAPTER III

## LABOUR CONDITIONS IN AUSTRALIA

AUSTRALIA is one of the most recently settled countries where the white population is dominant. Not until 1788 did colonization begin—one thousand and thirty people all told was the establishment which Captain Phillip brought to Sydney Harbour in that year. By the middle of the nineteenth century the population had increased to four hundred thousand, to which must be added an unknown number of coloured natives, the original inhabitants of the country. Fifty years later, in 1901, the population of the Commonwealth amounted to 3·77 millions, to which must be added about one hundred and fifty thousand aborigines. To-day the Australian population is around seven millions, among whom are about seventy-five thousand aborigines.

Australia was settled by British people, for some time chiefly by convicts. Till now, the British stock has predominated. The number of immigrants has fluctuated considerably; it was very high in relation to the population, of course, in the early years of the history of the Continent, but soon lost in importance. During the last eighty years, that is since 1861, the population rose by about six millions, of which only about one and a half million was due to the excess of immigration over emigration.

The economic history of Australia is one of the most interesting aspects of the history of capitalism. Australia was founded as a British colony and began her effective development as a pastoral country providing Britain with wool. In 1821 wool exports to England amounted to 175,433 lb.; by 1826 they had risen to 1,106,302 lb.; ten years later a figure of 5,000,000 was reached. By the beginning of the forties the average number of sheep per head of the population was about thirty. In 1850, out of total exports to the value of £3,588,000, 55 per cent are wool exports.

In the beginning of the forties, and much more in the begin-

ning of the fifties, the economic situation, and with it the whole character of Australian economy, begin to change fundamentally. True, agriculture, including the pastoral industry, remains the dominant industry, but its rôle becomes that of a basis and background while another industry really determines the character of Australian economy. Agriculture remains the base upon which Australian economy stands, but another industry determines the velocity of its growth and the peculiar features it develops: this other industry is mining. Not simply mining, however, but mining accompanied by temporary gains for a vast number of people and for the time being by enormous super-profits. And furthermore, not merely accompanied by temporarily enormous super-profits, but by super-profits made at the expense of the whole world, and not at the expense of Australian workers or Australian capitalists engaged in non-mining enterprises only.

It began with copper: the first important copper mine, the Kapunda, was opened in 1842, to be followed shortly, in 1845, by the famous Burra Burra mine, which paid £800,000 in dividends to the original owners. But more important discoveries were to follow: in 1851 large gold deposits were found in New South Wales and Victoria and from that time, all through the nineteenth century, sensational new discoveries were made, bringing gigantic profits to those who were first in the field and knew how to keep what they had gained. The following table shows the history of gold discoveries by individual states from the date of the big finds until the period of what might be called extraordinary super-profits had passed:

#### VALUE OF GOLD PRODUCTION IN INDIVIDUAL STATES

<i>States</i>	<i>Year</i>	<i>Value in £ Million</i>
New South Wales .. .. .	1851	0·5
	1852	2·7
	1853	1·8
	1855	0·7
	1862	2·5
Victoria .. .. .	1851	0·6
	1852	11·0
	1853	12·6
	1858	10·1
	1859	9·1
	1860	8·6

VALUE OF GOLD PRODUCTION IN INDIVIDUAL STATES—*continued*

<i>States</i>	<i>Year</i>	<i>Value in £ Million</i>
Queensland .. .. .	1866	0.1
	1869	0.5
	1872	0.6
	1878	1.1
Tasmania .. .. .	1876	0.0
	1878	0.1
	1879	0.2
	1881	0.2
South Australia .. .. .	1879	0.0
	1881	0.1
	1887	0.1
Western Australia .. .. .	1889	0.1
	1892	0.2
	1894	0.8
	1897	2.6
	1903	8.8

Again and again, new discoveries of gold give a new spur to the rapid accumulation of super-profits. To this must be added other discoveries: in the early eighties immensely profitable silver mines were discovered in New South Wales; between 1883 and 1885 the silver exports from New South Wales increased fifteenfold. After the valuable copper discoveries in 1842 and 1845, the opening of the Wallaroo and Moonta copper mines in 1860 and 1861 gave a great fillip to the creation of super-profits.

True, the classic example of the creation of super-profits is the economic exploitation of India by British capitalism. There, the creation of super-profits through robbery of the agricultural population, through the most cruel exploitation of the industrial workers, through the suppression of every movement of political and economic liberation, has been developed "on classic lines." The history of British capitalism in Australia is an altogether different story: it is the story of an ever fresh creation of super-profits chiefly through the discovery of new raw-material resources, which are superior to those in existence on account of their high yield and the cheapness of production for the original proprietors.

To this we must add the very important fact that the country has always been agricultural, and that food was therefore

relatively cheap; and, what is more important, that other agricultural countries could not share in the super-profits through exports to Australia of agricultural commodities at raised prices.

If we keep in mind these two fundamental facts—creation of large super-profits through the exploitation of raw material sources, and the relative cheapness of agricultural production—and if we furthermore remember that the population of the country is almost entirely white, and finally, that it is very small and that immigration is expensive, we can realize that, objectively, labour in Australia is in a very favourable position towards capital. Australia, in the nineteenth century, is an exception among colonies because a very large share of that part of the super-profits which the British ruling class has usually put aside for the corruption of parts of the proletariat in Britain remains in the colony for the benefit of colonial labour. The Australian worker, partly by his own efforts and partly favoured by economic and geographical circumstances, has not only shared in the same benefits which the trade unionists in Britain gained for themselves in the second half of the nineteenth century; his benefits have probably been relatively greater and have been distributed among a greater percentage of the workers than in Britain herself. And that, in spite of the fact that the share of British investments in total Australian investments has increased during the nineteenth century, in spite of the fact, to express it differently, that the share of "native property" in the total property of the country has declined.

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Before we begin in the following pages to study in more detail the development of labour conditions, it should be remarked that, while on the one hand the statistical material available is probably more extensive and of better quality than for other countries, the total number of people with whom we deal is very small. Wage statistics, in fact, go back to the early twenties of the nineteenth century, when the total population amounted to less than forty thousand people, excluding the aborigines who did very little wage work and who never were a competitive labour force of importance. On the other hand, it

is important to set against this the fact that while the population of the country is even to-day very small, the percentage of people living in the big cities has always been very great. The following table makes this very clear:

POPULATION IN EACH CAPITAL AS PERCENTAGE OF THAT  
OF THE WHOLE STATE IN 1871 AND IN 1936

<i>Capital</i>	<i>1871</i> <i>per cent</i>	<i>1936</i> <i>per cent</i>
Sydney .. .. .	27.3	47.3
Melbourne .. .. .	28.3	55.0
Brisbane .. .. .	12.5	31.9
Adelaide .. .. .	23.0	53.8
Perth .. .. .	20.7	47.0
Hobart .. .. .	18.8	26.2

The proportion of the population living in the capital of each state is very high indeed, and has increased rapidly. Therefore, the proletariat plays a considerable rôle in certain places and can function effectively because its distribution over the country is favourable to strong action in the political and economic centres of the country.

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Labour in Australia was originally made up of free labour and convict labour; the latter played a numerically considerable rôle during the first fifty years of the colony. It is most interesting to study the conditions of labour in that early period of the colony, for here an attempt is made to transplant conditions of slavery into capitalist society. True, until very recently one could observe chain gangs working in the United States, in quarries, in road building, etc. But these were special tasks set to convicts; the convict labour system has never played an important rôle in American economic society during the last sixty years, and the system of slavery before the Civil War was confined to the agricultural South. In Australia, however, almost all workers, originally, were convicts.\* When free labourers came over they quickly succeeded in mastering the situation because free labour was better labour—better in quality and better in efficiency.

\* Among them were a number of trade unionists who were deported for their political activities.

Various attempts by Australian capitalists to use convict labour in competition with free labour in order to lower the standard of living of free labour did not succeed in the end. Soon the free mechanic was as much master of the labour situation as labour can be master of anything under capitalism. The dream of every capitalist to have white slaves was very soon shattered in Australia by the healthy clamour of a vigorous labour movement.

Attempts to fetter the labour movement by the application of combinations laws were quickly doomed to failure. The first case of which we hear (against the coopers in Sydney) is also almost the last, the law being repealed in 1825. By 1837 the labour movement had already progressed far enough for the organization of a general strike of the seamen and labourers employed in fitting out ships; in spite of official interference on the side of the merchants the strike was victorious for the workers and they succeeded in obtaining higher wages.

During all this time, labour was favoured by its scarcity. True, the workers soon learned about unemployment, but during the phases of prosperity in the trade cycle, wages often rose rapidly because there were only relatively few workers, especially skilled workers. The employers tried to organize immigration on a large scale, sometimes by sending agents to Europe, who gave fantastic promises to prospective emigrants. As early as in 1833 the workers answered such attempts by drawing up a schedule of wages, giving the lie to exaggerated claims for working conditions in Australia. On the whole—in contrast to conditions in the United States—the Australian workers did not suffer heavily from immigrant competition.

While Australian labour was active and vigorous, while already early in its history it gained splendid victories, and while they often succeeded because they were already acting as a united body—united by trade or united locally—one must not imagine that labour conditions were much better than in England, or that the cohesion of the labour movement at that time was greater than in other countries. A number of unions were already formed during the twenties and thirties, but there was no question of an organized trade union movement; that came very considerably later. As regards labour conditions, a few facts will correct any rosy pictures which might be formed

as a result of the vigorous labour movement. The minimum working day in the early forties was the ten-hour day, excluding two hours for rest. Many workers worked sixteen and even seventeen hours. Of the little more than ten thousand labourers and mechanics at that time, many were unemployed during periods of crisis and depression. Housing conditions were very poor indeed. Relief, always demanded from the Government when there was a crisis, was very meagre. Absence from work by a free servant, if no permission was given by the master, was punished by prison sentence.

There are a number of wage data available, not enough to compute a general wage index, but enough to get a very rough picture of the development in the decades preceding the discovery of gold.

## WAGES BEFORE 1850

Year	(1900 = 100)					
	<i>Building</i> <i>New South Wales</i>	<i>Trade Workers</i> <i>Tasmania</i>	<i>Quarrymen</i> <i>Tasmania</i>	<i>Metal Workers</i> <i>New South Wales</i>	<i>Agricultural Workers</i> <i>New South Wales</i>	
1823	60	—	—	62	55	
1824	—	145	—	—	—	
1825	—	145	—	—	—	
1826	—	133	—	—	—	
1827	—	133	—	—	—	
1828	—	121	—	—	—	
1829	—	121	—	—	—	
1830	—	121	—	—	—	
1831	—	101	—	—	—	
1832	—	97	—	—	—	
1833	55	90	—	72	55	
1834	—	90	—	—	—	
1835	66	84	—	72	55	
1836	67	81	—	69	55	
1837	—	81	—	—	—	
1838	65	75	—	72	61	
1839	—	90	85	—	—	
1840	75	90	85	72	70	
1841	—	80	78	—	—	
1842	—	89	85	—	—	
1843	51	84	77	52	38	
1844	41	58	46	41	38	
1845	41	68	62	41	47	
1846	53	66	46	53	52	
1847	56	59	46	57	60	
1848	53	58	49	54	54	
1849	48	73	54	49	48	

Without looking at the food cost figures which follow, we can learn several facts from this table. Firstly, wages in those early years of the colony did not move uniformly in the different parts of the country. While wages in New South Wales seem to have remained fairly stable, probably with a tendency to increase during the late thirties, followed by a decrease of wages during the forties, wages in Tasmania showed a rapid decline. Secondly, over the century as a whole, wages in different occupations have moved, within the same part of the country, fairly uniformly: in New South Wales, money wages of agricultural, building trade and metal workers were uniformly lower by 35 to 45 per cent in the early twenties than at the end of the century; and in Tasmania, at the end of the thirties, wages of building trade workers and wages of quarrymen were between 10 and 15 per cent lower than at the end of the century. There are no reliable cost-of-living data in existence for this early period of Australian labour. H. G. Wood, basing himself on data published by T. A. Coghlan for New South Wales, has, however, constructed a rough index of wages, of food costs, and of real wages, that is wages measured by the cost of food:

MONEY WAGES, COST OF FOOD AND REAL WAGES, IN NEW SOUTH WALES, 1821 TO 1852

<i>Years</i>	<i>1821-1837 = 100</i>		<i>1823-1837 = 100</i>	
	<i>Money Wages</i>	<i>Cost of Food</i>	<i>Real Wages</i>	
1821-37	100	100	100	
1838-42	115	103	112	
1843-52	77	71	108	

From this table we gain the impression that real wages over the thirty years under review have increased a little. The little information we have on housing conditions makes us, however, doubtful whether this applies to the standard of living as a whole. Very probably, the standard of living remained at best only about stable. Furthermore, it is very doubtful whether the data for New South Wales are indicative of conditions in the colony as a whole. The most cautious concrete statement which one can make on the basis of available data is that the standard of living from the beginning of the twenties to the end of the forties probably changed very little and was on a very low level.

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The second period in the history of Australian labour is determined in its character by the gold discoveries. These gold discoveries had a very important influence not only upon conditions among capitalists, but also among the masses of the people. At the time of the first discoveries especially almost everybody went out to the goldfields and very little capital, indeed, was needed to get the gold. In 1851 Melbourne was quite rightly described as a city of women and children, and in other places conditions were similar. Labour outside of the gold fields was extremely scarce and wages rose rapidly. A wage table for New South Wales in 1852, that is already after the large initial wage increases for those who were not mining gold, shows the following movement:

## WAGES IN NEW SOUTH WALES IN 1852 (s. and d.)

<i>Occupation</i>	<i>1st Quarter</i>	<i>2nd Quarter</i>	<i>3rd Quarter</i>	<i>4th Quarter</i>
Carpenter ..	7·0	8·0	9·6	11·0
Blacksmith ..	8·6	8·6	10·0	11·6
Wheelwright ..	8·6	8·6	9·6	10·0
Bricklayer ..	7·0	8·0	11·0	11·0
Mason ..	8·9	8·9	10·0	11·0

Wages within a single year moved up by 50 per cent and more. Gold prospecting and mining brought money to a great number of people, labourers and mechanics, artisans and shopkeepers, as well as to the capitalists. Much of it was lost through high prices—but by no means all; much of it was lost by gambling and high living; much of it was lost through fraudulent banks, etc.; much of it was lost in subsequent periods of unemployment and hunger and misery. But some of it remained; some of it definitely raised the standard of living of the working class. The moral element in society, the moral factor in the living standard underwent a change. Just as a motor-car is part of the standard of living of the skilled worker in the United States, without his being less exploited than the British worker, so a number of things began to be part of the standard of living of the Australian worker, which definitely raised his standard of living on to a higher level—without decreasing the rate of exploitation, without increasing his social security, without lifting him out of the rut of that existence which capitalist con-

ditions, as long as they exist, decree as the inevitable fate of every worker.

When a new and rich goldfield was discovered, it was usual that at first everybody could gain something, because the gold was ready to be "collected." But before very long this kind of gold mining practically ceased. Real mining operations became necessary, and that meant that the small man had to drop out of the game, that the capitalist with machinery and tools began to monopolize the mining of gold.

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During the second period of the industrial history of Australia, which naturally coincides with the second period of the history of Australian labour, labour conditions improved for some time. This improvement was due partly to the facts described above, and partly to the energy and militancy and high ability of the labour movement, which we can observe over the period as a whole.

We will begin the study of labour conditions during the second period with a table of wage rates in some important industries.

#### WAGES IN INDIVIDUAL INDUSTRIES, 1851 TO 1903\*

(1900 = 100)

<i>Trade Cycle</i>	<i>Building Trade Workers</i>	<i>Metal Workers</i>	<i>Common Labour</i>	<i>Agriculture</i>	<i>Total</i>
1851-60	145	131	132†	136	125
1861-72	97	93	94	100	93
1872-80	106	104	103	112	100
1881-86	112	106	112	117	105
1887-95	100	100	106	110	101
1896-1903	97	98	97‡	98	98

On the whole, wages in individual industries have moved on parallel lines. There are no industries which show a development different from that of the general trend; on the contrary, the movement of wage rates in different industries is extraordinarily even.

But while wage rates in different industries are moving on

\* Wages by individual years, see Appendix to Chapter III.

† 1854-1860 only.

‡ 1896-1901 only.

almost identical lines through the entire half-century under review, these wage rates have fluctuated from year to year very considerably. During the fifties, the years of the first gold discoveries, wage rates rose very rapidly, by 200, 300 per cent or more. During the sixties wage rates moved down again, though not down to the level of the beginning of the fifties. During the seventies wage rates moved up again, remained stable for some years, and then began to decline once more during the nineties. When the turn of the century approached wage-rates once more rose.

In order to measure the movements of the purchasing power of the workers we have to look first at the changes in the cost of living. Unfortunately, I have found material sufficient only for the construction of an index of food prices. If we then divide the index of food prices into the index of money wages, we arrive at a rough index of the purchasing power of the workers.

#### FOOD PRICES AND REAL WAGES, 1851 TO 1903\*

(1900 = 100)

<i>Trade Cycle</i>	<i>Food Prices</i>	<i>Real Wages</i>
1851-60	180	69
1861-72	118	80
1872-80	117	86
1881-86	123	86
1887-95	113	90
1896-1903	108†	90

During the first period of the gold discoveries, in spite of inflationary tendencies, real wages rose. It is a very rare occurrence in the history of capitalism that real wages rise during an inflation. But the circumstances, as I have explained before, were peculiar: the agricultural hinterland which made profiteering from abroad through imports difficult, and the fact that the first phase of the gold discoveries meant gold for a very large number of people and not for a small number of capitalists, were of decisive importance.

Even after the decline of real wages during the second half of the fifties, when capitalist mining began to spread, the real

\* Prices and wages by individual years, see Appendix to Chapter III.

† 1902 and 1903, figures for cost of living as a whole.

wage level remained considerably above the level preceding the gold discoveries. At the end of the sixties real wages began to rise again and by the beginning of the seventies they reached a level which corresponds to that of the end of the century. Since the beginning of the seventies, real wages have fluctuated somewhat, but on the whole they remained on approximately the same level. By the beginning of the seventies, real wages had reached that level which determined the purchasing power of labour for a whole generation.

While these figures show the trend of the development correctly, one must be cautious in using them in reference to their year to year changes; moreover, it is probable that the inclusion of the changes in rents might have slightly depressed the level of real wages during the last decades of the century.

If we look at the development of wages in Great Britain during the same period, we find that there is an interesting difference between the rise of wages in Britain and Australia. In the following table we give the figures for the two countries by trade cycles.

#### REAL WAGES IN GREAT BRITAIN AND IN AUSTRALIA, 1843-1903

(1900 = 100)

Great Britain		Australia	
Trade Cycle	Net Real Wages	Trade Cycle	Gross Real Wages
1843-49	53	1841-50	(about 40)
1849-58	57	1851-60	69
1859-68	63	1861-72	80
1869-79	74	1872-80	86
1880-86	80	1881-86	86
1887-95	91	1887-95	90
1895-1903	99	1896-1903	90

In Britain real wages increased fairly steadily from trade cycle to trade cycle (which, of course, as we have explained, does not mean that living and working conditions improved steadily). In Australia real wages increased rapidly during the fifties and the sixties—about as rapidly as in Britain during the whole sixty years under review—but in the following decades, changes were very small. In fact, it would not be surprising if a more comprehensive and more detailed investigation than mine should show that in Australia real wage averages by trade cycles have remained almost stable since the beginning of the seventies.

The decisive period for Australian labour was undoubtedly that of the fifties and sixties, when gold discoveries by the masses of the people, combined with a vigorous labour movement, definitely raised the standard of living. Since then, up to the end of the century, the living standard of the workers has in all probability deteriorated absolutely, and also in comparison with conditions in Great Britain. For, while real wages still show a small improvement, other factors, such as the increasing intensity of work, have amply contributed to counterbalance this.

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The labour movement during the fifties and sixties is characterized by a combination of unsteadiness and, in some respects, high quality of leadership; by disorganization, and at the same time by a high degree of class consciousness. The most famous conflict of this time took place in 1854, three years after the first gold rush: the Eureka Stockade, named after the rough defences erected by the miners on the goldfields in Ballarat. Soldiers and miners were killed in this battle against "taxation without representation," against the system of gold mining licences, and for manhood suffrage, abolition of property qualification for members of parliament, payment of members, short-term parliaments, equal electoral districts, and the secret ballot. Chartist influence was great but the miners who fought this battle were more successful than their brothers in England. Though beaten in the field, the courts had to acquit those who had been arrested, and in the course of a few years many of the demands of the miners were fulfilled in the province of Victoria.\* While many trade unions were founded during the years following the gold discoveries, few of them have had a long life. But during their short period of existence, they did excellent work. Two strikes in particular, while both were only semi-successful, show the high level of trade union strategy and tactics. One was the strike of the miners in New South Wales in 1861. Before preparing for action, they realized the necessity of making it impossible for the employers to accumulate large

\* Cf. the interesting study by Brian Fitzpatrick, *A Short History of the Australian Labour Movement*.

stocks; consequently, they limited the amount which the union members were to earn per week on piece work. The second step of the union was to clear the Newcastle field of non-union labour. When they tried to do this, the company answered provocatively with a reduction of piece rates. Six hundred men walked out. The company tried to move the stocks it had by sea, using non-union labour. The unionists attacked the strike breakers. Police were set on them. Then the miners' wives came to the battlefield and engaged the strikebreakers in hand-to-hand fights. The wives, in contrast to their husbands, were successful. At the same time, public opinion began to swing around to the side of the miners. A "reconciliation committee" was formed. Unfortunately, the funds of the union were almost exhausted. On the other hand, the employers were not very happy about the situation. So a compromise was reached: the wages were restored to their former level (success for the workers) but the union was not recognized as the sole provider of labour (success for the employers); in fact, the union ceased to exist (the usual fate of the unions at that time after a short and often brilliant existence). The second and most interesting strike was that of the masons of Victoria. This began in 1858 and lasted with interruptions throughout the following year. The strike was directed against wage cuts, against attempts to lengthen the working day, and against the practice of subcontracting. In order to strengthen their position the contractors organized, through an agent sent to Germany, the immigration of four hundred and fifty men at a lower wage rate for a longer working day. How did the masons answer this manœuvre? When the first two hundred men arrived in November 1859 they were met by representatives of the masons, who explained the situation to them. The German masons declared at once that nothing was further from their intentions than to act as strikebreakers, but that they had to live somehow; and asked for advice. The masons replied that they would act as the hosts of the Germans until the latter had found other work than strikebreaking. When, shortly afterwards, two hundred more men came from Germany, the funds of the union were very low and they were not able to take care of the new arrivals in the same manner; many of the new arrivals did work on the struck jobs, but their

work was inferior to that of the Victoria masons. In the end, the union had to give up the fight and the employers were successful in all points, except the lengthening of the working day. The working day of the masons was the eight-hour day, which was gained for practically all skilled workers in Victoria in 1856. Victoria was the first large district in any capitalist country to gain so short a working day.

The curious mixture of characteristics of the labour movement described and exemplified above is due chiefly to the fact that British experience was inoculated into Australian youth: hence the combination of shrewdness and experience on the one hand and short-lived vigour and cohesion on the other. But even in those cases where British experience does not come in we notice a very healthy suspicion of the traps which the employers or the Government may have laid. This is especially interesting to observe in the case of the many attempts of unemployed workers to force the Government to institute public works at trade-union rates. Again and again the Government began large scale public works in order to provide work for the unemployed—but at wage rates below those prevailing on other work—and again and again we find the mechanics preferring to march hungry through the streets of Melbourne or Sydney than to accept work at under-cut rates.

This great period in the history of Australian labour comes to an end about twenty years after the discovery of gold. It coincides with the period when real wages were rapidly increasing. It coincides also with the improvement of labour conditions in other aspects, especially the shortening of the working day, which for the skilled workers came much sooner in Australia than in other capitalist countries. True, the unskilled worker did not share equally in the advantages reaped by the skilled workers. True, housing conditions for all workers remained deplorable. True, the intensity of work, especially for those workers who worked in factories, began to increase steadily. But in spite of all these drawbacks, one can compare the years from 1850 to 1870 with the golden age of the British labour aristocracy which covers approximately the same years. It would probably be true to say that conditions improved even more in Australia than in Great Britain, and that in Australia a larger

part of the proletariat shared in this improvement than in Britain.

The economic improvement in the status of the labour aristocracy finds its fitting political expression in the terms of the settlement of the famous strike of the Newcastle miners in 1873. The most important part of these terms is described by Mr. T. A. Coghlan as follows:\*

"Any differences arising after the signing of the agreement, in regard to wages, were to be settled by conference or by arbitration. The miners were to be represented at any such conference by the district officers and delegates of the Coal-miners' Association, and the Associated Masters by a person representing each colliery and the manager of each colliery. A conference was to be held within twenty-eight days of the date on which it was demanded, and if such conference failed to arrive at a settlement of the question in dispute, the matter was to be reduced to writing and submitted to a Court of Arbitration composed of four 'disinterested persons' and an umpire, each party to the dispute naming two of the arbitrators, and the arbitrators themselves choosing the umpire. The Court of Arbitration was required to deal with a question referred to it within fourteen days, and any matter decided by the court was not to be reopened for twelve months.

"This is the first example in the history of Australia of the full recognition of collective bargaining as a principle and not as an isolated phenomenon, as in the agreement of 1873 the miners' union was recognized as the representative of the miners in every difficulty that might arise. This connoted a complete change in the attitude of the employers towards the union, for previously they had frequently refused to recognize the miners' officials."

Labour had forced the employers to recognize the union as the bargaining agency of the workers. But as the terms show, labour also had fallen into the trap of compromise bargaining. Innumerable examples in the history of labour during the last seventy years show that such agreements sap the militancy of labour. While, therefore, the recognition of the union connotes the victory of labour as an organized movement, and, therefore,

\* *Labour and Industry in Australia*, vol. iii, pp. 1427-28.



seems like the culminating success of the fights of the preceding twenty-odd years, at the same time this victory is the beginning of the new phase of the labour movement which is characterized by the definite separation of the skilled workers from the great mass of the workers, by the formation of a labour aristocratic trade union circle getting more and more out of contact with the rank and file and with the masses of unorganized and unskilled workers.

It was the trade union bureaucracy which deprecated the visit of Henry George in 1890 because he was for free trade, and the bureaucracy had joined the Government crusade for protection and high tariffs; because George was for a revolution of conditions on the land, while the bureaucracy clung to their small freeholds. All the more enthusiastic was the welcome given to him by the masses of the people. It was the trade union bureaucracy which, through high entrance fees, succeeded in making many unions into privileged clubs. It was the trade union bureaucracy which kept the unions aloof from unemployed demonstrations, for the unemployed were a "disorderly crowd" and not respectable. It was the trade union bureaucracy which discouraged strikes and favoured compromises at the conference table.

This does not mean, of course, that there were no strikes. This does not mean that there were no heroic struggles for better living and working conditions. This does not mean that all trade unions, including their leadership, had become opportunist organizations. But it does mean that the greatest chapter in the history of Australian labour had come to an end, and it also means that exploitation and the holding down of working class standards of living were accomplished with considerably more success than before, that the masses of the labour movement were kept ignorant of the chief issues between labour and capital, that the energy of labour was diverted into channels which were agreeable to the employers, and that progressivism in the labour movement was dead.

Shortly after similar conditions had changed in Britain, the Australian scene was lit up by the great maritime strike of 1890 in which the pastoral workers and miners, the carters and drivers and other trades, joined. International solidarity was strong;

British unions sent more than £4,000. The forces of the state were brutally used against the workers. "Fire low and lay 'em out!" was the instruction to the Melbourne mounted infantry. The strike was lost but new life was infused into the labour movement. Within a few years we see the creation of labour parties in the different colonies, and—in contrast to Britain—these parties succeeded quickly in gaining a position of importance in the various parliaments. At the same time the hold of the old bureaucracy upon the unions was weakening and in many places a drive was begun to organize the unskilled and unorganized workers. The development of labour conditions in this new period of the history of Australian labour, a period which is not yet ended, will be studied in more detail in the following pages.

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The following table surveys the development of wages in individual industries during the present century:

WAGES IN INDIVIDUAL INDUSTRIES, 1904 TO 1939\*

(1900 = 100)

<i>Trade Cycle</i>	<i>Engineering</i>	<i>Food and Drink</i>	<i>Clothing Boots</i>	<i>Building</i>	<i>Mining</i>	<i>Railways</i>	<i>Agri- culture</i>
1904-13	106	111†	130†	115	107	108†	125
1914-21	149	159	182	154	150	144	205
1922-32	199	216	253	209	200	190	274
1933-39	184	202	230	194	184	172	240

While, during the fifty years from 1850 to 1900, we could observe a remarkable similarity between the movement of wages in different branches of industry, conditions were quite different during the following forty years. Before the world war began, two industries showed increases of wages out of proportion to those in the other industries: the clothing industry and agriculture, two industries which employ a large number of unskilled workers, two industries, at the same time, which paid very low wages and in which a very large percentage of unskilled workers were unorganized before the close of the century. When the world war ended, these two industries remained in their forward posi-

\* Wage data by individual years, see Appendix to Chapter III.

† 1906-13 only.

tion. While in other countries the workers in the iron and steel industry received larger wage increases during the war than the workers in other industries, in Australia, they have not had the same success. Not only are the workers in the engineering industries not among those who have gained more in money wages than the others, but another industry employing a large percentage of unskilled workers, the food and drink industry, had joined the other two with outstanding wage rate increases. By the end of the twenties, however, the food and drink industry had relapsed into its former position. By the end of the thirties the clothing industry and agriculture remain in the lead, no other industry approaching their relative wage level (relative to conditions in 1900) by 10 per cent. The next group of industries, the centre group, is made up of the engineering industry, the food and drink industry, and the building industry. The mining industry and the railway industry show the smallest increase in wages since 1900, though the difference between these two industries and the centre group is smaller than that between the centre and the industries showing a relatively large money wage increase.

If we combine the wage indices for the individual industries and compute both wage losses and, with the help of the cost of living index, real wages, then we get the following picture of the development of wages during the twentieth century:

## WAGES IN AUSTRALIA, 1904 TO 1939\*

(1900 = 100)

<i>Trade Cycle</i>	<i>Gross Money Wages</i>	<i>Net Money Wages</i>	<i>Cost of Living</i>	<i>Net Real Wages</i>
1904-13	113	117†	119	96
1914-21	160	158	184	86
1922-32	223	209	198	105
1933-39‡	202	186	174	100

In order to be able to survey the whole of the development of real wages we repeat in the following table the figures since 1841.

\* Wage and Cost of Living figures by individual years, see Appendix to Chapter III.

† 1906-1913 only.

‡ Incomplete cycle

## REAL WAGES, 1841 TO 1939

(1900 = 100)

<i>Trade Cycle</i>	<i>Real Wages</i>	<i>Trade Cycle</i>	<i>Real Wages</i>	<i>Trade Cycle</i>	<i>Real Wages</i>
1841-50	(about 40)	1881-86	86	1914-21	86
1851-60	69	1887-95	90	1922-32	105
1861-72	80	1896-1903	90	1933-39	106
1872-80	86	1904-13	96		

The first twenty years of the new century did not bring any improvement in real wages; on the contrary: during the trade cycle 1914-21 the level of real wages was lower than at any time since the trade cycle 1872-80. In fact, one can say that for fifty years the purchasing power of the worker fluctuated without showing any definite tendency to increase. If we remember that during the same time the intensity of work continued to increase we do not need much additional material to realize that conditions of labour in Australia between the beginning of the seventies and the beginning of the twenties have deteriorated. During the twenties real wages increased sharply. The incomplete cycle 1933-39, though it does not include an economic crisis, shows practically no increase of real wages.

\* \* \*

It is of interest to compare the development of wages of men and women; good statistical material makes such a comparison possible; probably no country, with the exception of the United States, has made available such detailed differentiating wage material as Australia has for the last twenty-five years:

## HOURLY WAGES OF ADULT MALE AND FEMALE WORKERS

(April 1914 = 100)

<i>Year</i>	<i>Male</i>	<i>Female</i>	<i>Year</i>	<i>Male</i>	<i>Female</i>
<i>Dec.</i>	<i>Workers</i>	<i>Workers</i>	<i>Dec.</i>	<i>Workers</i>	<i>Workers</i>
1914	101	101	1927	192	213
1915	103	101	1928	193	217
1916	111	105	1929	194	218
1917	116	113	1930	185	213
1918	121	119	1931	168	191
1919	138	141	1932	158	178
1920	166	173	1933	157	175
1921	178	192	1934	159	180
1922	173	189	1935	162	182
1923	177	194	1936	166	188
1924	177	195	1937	177	202
1925	183	200	1938	183	209
1926	190	208			

Up to the end of the war female wages rather lagged behind the increase in wages of male workers. After the war, however, the wages of women workers spurt ahead and are, by 1923, already relatively higher by 10 per cent than those of men—since the absolute amount of female wages is considerably below that of male wages (they are even to-day little more than half of the men's wages), one can say that the gap is being decreased slowly. After a short period of stability women's wages continue to move on a slowly increasing higher relative level than the wages of men. By 1930 the difference is 15 per cent; during the middle thirties the development seemed to take an unfavourable turn, but at the end of the thirties conditions prevailing in the beginning of the decade were restored.

On the whole one can say the relative position of women has improved since the end of the war.

\* \* \*

While wage conditions during the twenties showed a definite improvement, the social security of the worker was lessened to a very serious degree; unemployment began to move on a considerably higher level than ever before:

#### UNEMPLOYMENT, 1901 AND 1906 TO 1939

<i>Year</i>	<i>Percentage</i>	<i>Year</i>	<i>Percentage</i>	<i>Year</i>	<i>Percentage</i>
1901	6.6	1916	5.8	1928	10.8
		1917	7.1	1929	11.1
1906	6.7	1918	5.8		
1907	5.7	1919	6.6	1930	19.3
1908	6.0			1931	27.4
1909	5.8	1920	6.5	1932	29.0
		1921	11.2	1933	25.1
1910	5.6	1922	9.3	1934	20.5
1911	4.7	1923	7.1	1935	16.5
1912	5.6	1924	8.9	1936	12.2
1913	6.5	1925	8.8	1937	9.3
1914	8.3	1926	7.1	1938	8.7
1915	9.3	1927	7.0	1939	9.7

During the twenties that level of unemployment, which formerly was regarded as a crisis and depression level, became normal, and the crisis level reached extraordinary heights. The security of the worker, his job-finding ability, had declined

rapidly because of the changes in the structure in Australian capitalism which in this respect closely follows that of British, German and American capitalism. True, real wages increased during the twenties, but the enjoyment of increased real wages seriously diminishes if the chances of keeping the job have declined and the spectre of unemployment haunts the worker. I have mentioned before the fact that the intensity of work increased considerably during the period under review; it increased more than ever during the twenties and the thirties. The combined pressure upon the standard of living of the worker by increased unemployment and increased intensity of work certainly more than outweighs the increase in real wages. Few can doubt the fact that in spite of a short-lived increase in real wages during the twenties, the standard of living of the Australian workers has continually declined since the passing of the period following upon the gold discoveries.

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During the last twenty-five years, that is, the period for which we have regular and reliable statistics of the number of hours worked per day, the working day has been shortened. Not regularly from year to year, but the tendency is obvious:

## HOURS OF WORK PER WEEK\*

(1914 to 1938)

<i>Year</i>	<i>Working Week</i>	<i>Year</i>	<i>Working Week</i>	<i>Year</i>	<i>Working Week</i>
1914	48½	1922	46½	1931	45½
1915	48½	1923	46½	1932	45½
1916	48½	1924	46½	1933	45½
1917	48	1925	46½	1934	45½
1918	48	1926	46	1935	45½
1919	47½	1927	45½	1936	45
		1928	45½	1937	45
1920	47	1929	45½	1938	44½
1921	46½	1930	46		

Within six years, from 1914 to 1920, the working week was shortened by almost two hours. During the following six years progress was considerably slower. During the third series of six

\* For male workers only.

years almost no progress was made. In the years before the war the decrease in the number of hours worked per week began to accelerate again—a movement which has been switched into reverse by the circumstances accompanying the regulation of working conditions during the present war.

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The system of social legislation in Australia is far superior to that in most other countries. Special attention has been given for more than thirty years to the fixing of a minimum or basic wage which, from the point of view of the workers, was intended to guarantee a minimum standard of living to every employed worker; or, as Justice Higgins expressed it, the basic wage is understood to mean the lowest wage which can be paid to an unskilled worker on the basis of "the normal needs of an average employee regarded as a human being living in a civilized community."

One might perhaps expect that much space should be given in this study to a detailed description of the social legislation in Australia, which by many writers is held as an example to other countries. Yet such a detailed description might give the impression that this legislation has led to a standard of living and security in Australia which is far superior to that in other countries. Such an impression would definitely be wrong. The lack of social legislation does decidedly worsen the fate of all those workers affected by unemployment, sickness, old age, and so on. But the existence of social legislation does not do away with the fundamental evils of capitalism. True, the basic wage, if enforced, guarantees a minimum standard of living. But who guarantees the basic wage? Only the organized force of labour. And this organized force was too weak in 1931 to enforce the basic wage. On the contrary, the Commonwealth Court of Conciliation and Arbitration decided that the basic wage should be lowered by 10 per cent because Australian industry was not able to maintain the standard of living of the workers at the level hitherto prevailing. The standard of "civilization" was quite suddenly lowered. Thus we see that the "basis" is elastic according to the strength of the employers and the workers.

Social legislation in Australia might have created a precedent for other countries if each new law and regulation favourable to labour had been used as a stepping-stone to further progress by labour. But just the contrary occurred. After the new impetus given to the labour movement through the events in 1890 and the following years, after the first wave of social legislation had spent itself, the labour leaders, especially in the trade unions, tended again to become complacent, social legislation having, in this case, the effect of social doping.

\* \* \*

True, after the nineties the trade union movement made very rapid progress. The plan to organize new sections of the workers was put into effect with more success than in any European or American country. Membership in the trade unions increased as follows:

#### TRADE UNION MEMBERSHIP

<i>Year</i>	<i>Members</i>	<i>Year</i>	<i>Members</i>
1891	55,000	1921	703,000
1901	97,000	1931	769,000
1911	365,000	1939	915,000

Australia is one of the few countries in which the trade union movement continued to gain members after the first post-war years. The high percentage of organization is obvious from the following:\*

#### PERCENTAGE ORGANIZATION OF ALL WORKERS

<i>Sex</i>	<i>1912</i>	<i>1925</i>	<i>1938</i>
	<i>per cent</i>	<i>per cent</i>	<i>per cent</i>
Men .. ..	44	58	50
Women .. ..	8	34	33

All in all, about 46 per cent of the adult workers of Australia were organized in the trade unions in 1938. If we keep this

\* The total number of "workers" to which the trade union membership is related includes all wage and salary earners, including managers, etc., that is, a not inconsiderable number of people not eligible for trade union membership. The percentage of organization, therefore, is really higher than the above figures indicate.



high percentage in mind, then the following statistics of strike activity are all the more surprising:

## STRIKES, 1913 TO 1939

(Thousands)

<i>Year</i>	<i>Striking Workers</i>	<i>Working Days Lost</i>	<i>Year</i>	<i>Striking Workers</i>	<i>Working Days Lost</i>
1913	50.3	622.5	1927	200.8	1,713.6
1914	71.0	993.2	1928	96.4	777.3
1915	81.3	683.0	1929	104.6	4,461.5
1916	170.7	1,644.8			
1917	174.0	4,689.3	1930	54.2	1,511.2
1918	56.4	539.6	1931	37.7	246.0
1919	157.6	4,303.7	1932	32.9	212.3
			1933	30.1	112.0
1920	155.6	3,587.3	1934	50.9	370.4
1921	165.1	1,286.2	1935	47.3	495.1
1922	116.3	858.7	1936	60.6	497.2
1923	76.3	1,146.0	1937	96.2	557.1
1924	152.4	918.5	1938	144.0	1,338.0
1925	176.7	1,128.6	1939	151.2	459.2
1926	113.0	1,310.3			

With the exception of the years 1916, 1917 and 1927, there were always less than 10 per cent of the Australian workers on strike. A very low percentage indeed, if we look back at the history of labour in various capitalist countries; but unfortunately quite normal if we regard the activities of the labour movement in some other countries during the same period, such as Canada, the United States and, since 1926, Great Britain. Furthermore, if we exclude 1917, there is not one year of relatively high strike activity without the same industry, the mining industry, playing a dominant rôle. In Australia, just as in Canada and in Great Britain, we find that the miners are the most militant section of the labour movement.

The most important strike years—in contrast to other countries which have their peak of strike activity in 1918 to 1920—were 1916 and 1917. During these years we can observe a considerable number of political strikes against conscription, and the great strike of the railway workshop workers in 1917 against rationalization measures. The strike began in New South Wales and was followed by sympathetic strikes in other states and trades. The strike ended with a compromise. The miners, in 1916, struck

successfully for shorter hours of work. Both strikes account for the vast majority of the days lost in 1916 and in 1917. The following two years of great strike activity, 1919 and 1920, are dominated by the strike of the miners in New South Wales for higher wages, a shorter working day, and other demands for an improvement of working conditions. The strike, which lasted from May 1919 to November 1920, ended with a compromise. Another very important strike, in 1919, was that of the seamen for higher wages, which covered all the states and was successful. There is only one more year of great strike activity in the years under review, 1929, when the miners unsuccessfully struck against wage cuts, from March until June in the following year. During the first one and a half years of the present war, strike activity has increased again—an unusual development if we think only of conditions in Europe, but quite in the tradition of Australian labour during the previous world war.

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For nearly a hundred years the Australian labour movement has been regarded as one of the most successful. The standard of living of the Australian worker is regarded as unsurpassed in the capitalist world and as far superior to that of most other countries. The broad system of social legislation is regarded as a wonderful safeguard for the standard of living, and the strong trade union movement and the parliamentary representation of labour are considered an example to the labour movement in other countries.

But the actual story which the mass of the Australian workers could tell of their working and living conditions does not differ materially from that of the American, British or other worker. The intensity of work is increasing in Australia as in other countries. The security of the worker, his chance of holding on to his job, is no higher than in other capitalist countries. A strong trade union movement and a Labour Party with large parliamentary representation are not worth much unless the trade unions and the labour representatives follow a militant policy against the evils of capitalism, against capitalism itself. On the contrary: if the ruling class succeeds in aligning with itself the leaders of labour, it is an advantage for the employers if the workers are strongly organized, because then the trade

union leaders are all the more easily able to "control any movements of unrest and resistance" among the workers.

Again and again we may observe how the labour movement in Australia began to get into a rut and how again and again Australian labour found the way to a new militant policy. The first great period of the history of labour, which includes the Eureka Stockade and ends in the famous strike of the Newcastle miners in 1873, is followed by almost twenty years of growing "reaction" within the labour movement. But the great maritime strike completely changes the situation; the progressive forces which for two decades had been kept in check, burst forth and a new period of labour militancy is inaugurated. It includes the great strikes of the nineties, the spreading of the doctrines of the I.W.W. in the latter part of the first decade of the twentieth century, the splendid work of Tom Mann, the organizer of the Labour Party in Victoria, the moving spirit in socialist organizations and the driving force of the most militant part of the trade union movement. It includes the war years with many a heroic struggle. Then follow more than twenty years in which militancy is dying down, progressive movements are sporadic, and the work of the best fighters in the labour movement, in the Labour Parties, of the Communists, in the trade unions, etc., does not determine the character of the history of the labour movement. But new life has been infused into the Australian labour movement since the world war started.

To-day Australian labour forms the vanguard in the fight against the aggressor in the Southern Pacific.

# APPENDIX TO CHAPTER III

## LABOUR CONDITIONS IN AUSTRALIA

### I. TABLES

#### 1. WAGES IN INDIVIDUAL INDUSTRIES, 1850 TO 1901 (1900 = 100)

<i>Year</i>	<i>Building Trade Workers</i>	<i>Metal Workers</i>	<i>Common Labour</i>	<i>Agriculture</i>	<i>Total</i>
1850	56	50	—	95	58
1851	68	63	—	103	67
1852	124	119	—	146	112
1853	210	177	—	152	155
1854	231	214	175	172	187
1855	164	141	145	147	140
1856	141	126	137	138	128
1857	133	125	122	135	123
1858	129	123	111	132	117
1859	127	112	118	121	113
1860	124	109	118	111	109
1861	115	101	110	111	108
1862	107	100	93	106	98
1863	93	93	87	102	91
1864	95	92	93	99	91
1865	95	91	88	94	89
1866	95	90	83	101	89
1867	94	90	101	93	91
1868	90	88	96	95	88
1869	89	84	99	98	90
1870	99	100	93	104	95
1871	91	87	90	93	88
1872	99	97	98	108	96
1873	102	103	102	109	99
1874	106	104	103	113	101
1875	107	106	103	112	102
1876	109	108	102	115	102
1877	107	108	101	114	100
1878	108	101	101	113	99
1879	107	106	108	113	101
1880	106	105	108	113	101
1881	106	104	108	113	100
1882	111	107	110	116	106
1883	115	107	114	118	105
1884	114	106	112	119	106
1885	115	106	112	119	108
1886	109	106	114	119	107
1887	110	109	114	120	108
1888	107	105	118	120	107
1889	110	105	114	114	107

1. WAGES IN INDIVIDUAL INDUSTRIES, 1850 TO 1901—*continued*

(1900 = 100)

<i>Year</i>	<i>Building Trade Workers</i>	<i>Metal Workers</i>	<i>Common Labour</i>	<i>Agriculture</i>	<i>Total</i>
1890	107	101	115	114	106
1891	105	102	114	111	104
1892	103	100	104	110	101
1893	90	98	92	104	94
1894	89	91	90	104	92
1895	83	86	90	93	88
1896	85	91	90	88	88
1897	88	96	93	94	92
1898	90	99	96	97	96
1899	94	99	100	95	99
1900	100	100	100	100	100
1901	106	100	102	102	102

## 2. FOOD PRICES, 1850 TO 1901

(1900 = 100)

<i>Year</i>	<i>Food Cost</i>	<i>Year</i>	<i>Food Cost</i>	<i>Year</i>	<i>Food Cost</i>	<i>Year</i>	<i>Food Cost</i>
1850	100	1863	125	1876	139	1889	124
1851	116	1864	129	1877	129	1890	125
1852	139	1865	146	1878	125	1891	117
1853	200	1866	129	1879	114	1892	114
1854	244	1867	107			1893	109
1855	216	1868	116	1880	109	1894	94
1856	189	1869	107	1881	110	1895	98
1857	180			1882	129	1896	104
1858	182	1870	100	1883	126	1897	113
1859	174	1871	98	1884	121	1898	109
		1872	95	1885	124	1899	106
1860	157	1873	104	1886	130		
1861	138	1874	125	1887	118	1900	100
1862	128	1875	117	1888	118	1901	108

## 3. REAL WAGES, 1850 TO 1901

(1900 = 100)

<i>Year</i>	<i>Real Wages</i>	<i>Year</i>	<i>Real Wages</i>	<i>Year</i>	<i>Real Wages</i>	<i>Year</i>	<i>Real Wages</i>
1850	58	1863	73	1876	73	1889	86
1851	58	1864	71	1877	78	1890	85
1852	81	1865	61	1878	79	1891	89
1853	78	1866	69	1879	89	1892	89
1854	77	1867	85			1893	86
1855	65	1868	76	1880	93	1894	98
1856	68	1869	84	1881	91	1895	90
1857	68			1882	82	1896	85
1858	64	1870	95	1883	83	1897	81
1859	65	1871	90	1884	88	1898	88
		1872	101	1885	87	1899	93
1860	69	1873	95	1886	82		
1861	78	1874	81	1887	92	1900	100
1862	77	1875	87	1888	91	1901	94

## 4. WAGES\* IN INDIVIDUAL INDUSTRIES, 1900 TO 1939

(1900 = 100)

<i>Year Dec.</i>	<i>Engineering</i>	<i>Food and Drink</i>	<i>Clothing Boots</i>	<i>Building</i>	<i>Mining</i>	<i>Railways</i>	<i>Agri- culture</i>
1900	100	100	100	100	100	100	100
1901	100	101	99	106	99	102	102
1902	100	—	—	105	99	—	103
1903	100	—	—	105	100	—	102
1904	100	—	—	106	100	—	104
1905	101	—	—	106	101	—	105
1906	101	103	117	108	102	102	108
1907	102	105	119	112	104	103	117
1908	104	105	121	112	104	103	118
1909	104	106	131	114	104	106	127
1910	106	108	136	117	109	107	128
1911	111	115	136	122	111	111	135
1912	116	122	137	126	114	116	151
1913	117	124	141	128	118	117	156
1914	119	125	144	129	118	117	156
1915	123	131	144	130	121	119	156
1916	127	138	153	137	132	124	171
1917	133	144	161	142	142	129	191
1918	141	150	167	146	142	135	197
1919	158	171	199	157	160	153	220
1920	189	202	235	188	189	182	272
1921	202	213	253	202	192	190	279
1922	192	208	247	198	188	182	263
1923	200	214	255	204	190	191	268
1924	200	214	254	208	189	189	269
1925	206	219	254	214	197	196	273
1926	209	224	261	218	199	200	292
1927	211	226	267	222	199	201	295
1928	209	226	270	221	199	199	300
1929	212	229	270	223	201	205	299
1930	203	220	270	216	195	196	274
1931	176	201	228	195	186	169	250
1932	167	191	210	185	179	158	234
1933	167	190	208	182	176	157	224
1934	170	190	217	185	177	161	229
1935	174	193	219	186	178	165	229
1936	177	198	220	189	180	168	237
1937	194	210	242	200	187	180	247
1938	201	216	249	206	193	186	256
1939	204	219	252	210	194	188	261

\* The figures refer to the wages of adult male workers.

## 5. WAGES IN AUSTRALIA, 1900 TO 1939

(1900 = 100)

<i>Year</i>	<i>Gross Money Wages</i>	<i>Net Money Wages</i>	<i>Cost of Living</i>	<i>Net Real Wages</i>
1900	100	100	100	100
1901	102	102	108	94
1902	102	—	114	89
1903	102	—	112	91
1904	103	—	106	97
1905	103	—	111	93
1906	104	104	111	94
1907	107	108	111	97
1908	108	109	117	93
1909	111	112	117	96
1910	115	116	119	97
1911	121	123	123	100
1912	127	128	135	95
1913	130	132	136	97
1914	131	128	140	91
1915	132	128	160	80
1916	138	139	162	86
1917	148	147	173	85
1918	153	154	185	83
1919	165	165	209	79
1920	196	196	238	82
1921	220	209	207	101
1922	217	211	199	106
1923	218	217	204	106
1924	221	217	200	108
1925	223	219	203	108
1926	230	229	206	111
1927	234	233	204	114
1928	236	226	206	110
1929	237	226	211	107
1930	233	202	199	101
1931	211	164	178	92
1932	197	150	170	88
1933	190	153	164	93
1934	191	163	167	98
1935	194	174	170	102
1936	197	186	173	108
1937	205	199	178	112
1938	217	212	183	116
1939*	221	214	186	115

\* First half year.

## II. SOURCES AND REMARKS

There is no country for which such a large volume of statistics relating to labour conditions has been published as Australia. There is no country which can boast of a study like T. A. Coghlan's *Labour and Industry in Australia*, which gives so detailed a study of many aspects of the development of labour conditions in the nineteenth century. It is curious that no Marxist has yet taken all this material and welded it into a standard history of labour. It is to be hoped most sincerely that some of the material given on the preceding pages will induce a Marxist student of Australian affairs to give us such a book.

The statistics of gold production are taken from a table published in *A Statistical Account of Australia and New Zealand*, 1902-03, by T. A. Coghlan. The statistics of the population in the different capitals and states are taken from the same source, and from the Official Year Book of the Commonwealth of Australia.

The wage statistics up to 1901 are based on the official data given for various occupations in the following publications:

New South Wales: Statistics of New South Wales from 1837 to 1853, Sydney 1854; ditto from 1845 to 1854, Sydney 1855. Statistical Register of New South Wales from 1849 to 1858, Sydney 1859; Statistical Register of New South Wales, annually since 1866; *The Wealth and Progress of New South Wales*, 1900-02, by T. A. Coghlan.

Victoria: William Henry Archer, The Statistical Register of Victoria, Melbourne 1854; Statistics of the Colony of Victoria, annually, from 1862 to 1873; Statistical Register of the Colony (since 1901 of the State) of Victoria, annually since 1874.

Tasmania: Statistical Account of Van Diemen's Land, or Tasmania, from the date of its first Occupation by the British Nation in 1804 to the end of the Year, 1823, Hobart Town 1856; Statistical Returns of Van Diemen's Land from 1824 to 1835, Hobart Town 1836; ditto from 1824 to 1839, Hobart Town 1839; Statistics of Van Diemen's Land for 1848, Hobart Town 1849; ditto for 1844 to 1853, Hobart Town 1854; Statistics of the Colony (since 1901 of the State) of Tasmania, annually since 1857.



South Australia: Statistical Register of South Australia, annually, since 1860.

Western Australia: Blue Book for the Year 1880, annually, to 1895; Statistical Register of Western Australia, annually since 1896.

None of these sources gives wage data for a whole trade or for industry as a whole. We have calculated the wage indices by trades from the wage indices calculated from the data on wages of the individual occupations, without weighting them; that is carpenters' and bricklayers' and masons' wages were not weighted when calculating average wages for the building trades, though, of course, first a separate index was calculated for each individual occupation. The wages for industry as a whole were not weighted either after finding that there was not so much difference in the number employed that weighting would make much difference in the final index. For a considerable number of years, since 1860, data on miners' wages were included in the index of wages for industry as a whole. The index of wages for industry as a whole for the years 1850 to 1860 was chained to that for 1860 to 1901, which includes miners' wages.

Wages and food prices for the years 1821 to 1852 were taken from George H. Wood, "Changes in Average Wages in New South Wales, 1823 to 1898," *Journal of the Royal Statistical Society*, June 1901.

Wages for workers in individual industries since 1901 were calculated for the years 1900 and 1902 to 1906 from the above-mentioned sources; additional wage data were taken into account, quoted from the richer material given in the last years of the previous century and given in the same above-mentioned sources. Data for the years 1901 and 1906 to 1939 were taken from Labour Report 1 to 29, published by the Commonwealth Bureau of Census and Statistics. Data for 1940 from the Quarterly Summary of Australian Statistics, published by the same authority.

The index of average wages (which comprises considerably more data than are given here for individual industries) is taken from Labour Report 1 to 29, and from the Official Year Book of the Commonwealth of Australia. The same sources give wages for men and women separately, also the unemployment data,

and the data on the number of hours worked per week, as well as the data regarding trade union membership and industrial disputes.

The cost of living for the years 1850 to 1901 was computed from the following sources: retail prices in Sydney since 1850, retail prices in Hobart since 1881, both as given in G. H. Knibbs, *Prices, Price Indexes and Cost of Living in Australia*, Commonwealth Bureau of Census and Statistics, Labour and Industrial Branch, Report No. 1. To this I added a rough index of the cost of food in Melbourne since 1850, based on the prices of bread, beef, mutton, butter, milk, eggs, potatoes, tea, coffee and tobacco (for 1850-54 bread, potatoes, butter, milk, eggs, cheese, carrots, cabbage, geese) taken from the above-quoted wage sources for the same period. For the years 1873 to 1894 I corrected this combined index according to a general retail index calculated by Mr. T. A. Coghlan in his above-mentioned history of Australian labour and industry, p. 1613; the differences between his and my index are remarkably small. For the years since 1901 I used the official cost-of-living index. The individual indices were weighted according to the population of the individual states. The wage indices and the cost-of-living indices calculated by me do not comprise all the occupations and commodities for which wage and price data are available. It is much to be desired that a research institute should interest a number of research workers in computing a final and definite index of wages and cost of living in Australia from 1840 to 1901, using all the data available.

## CHAPTER IV

### LABOUR CONDITIONS IN NEW ZEALAND

THOUGH New Zealand was effectively settled only in the forties of the last century, to-day it is one of the wealthiest countries (reckoned per head of the population)\* and probably more active in foreign trade than any other country.

During the nineteenth century, New Zealand was under a common administration with Australia, and conditions in both countries were similar in many respects. For a long time the bulk of New Zealand's foreign trade was going by way of Australia. The effects of the gold discoveries in Australia were felt in New Zealand as if they had occurred in New Zealand herself. Then in 1861 gold was discovered in the Otago Province, on the islands themselves.

The changes in the structure of national economy can be well observed by looking at the development of the exports of the two or three most important export goods:

#### VALUE OF EXPORTS

	£	£1,000	£		£
1853		1863		1873	
Timber ..	93	Gold ..	2,432	Wool ..	2,702
Wool ..	67	Wool ..	830	Gold ..	1,987
1883		1893		1903	
Wool ..	3,014	Wool ..	3,775	Wool ..	4,041
Grain ..	1,287	Frozen Meat	1,085	Frozen Meat	3,197
Gold ..	892	Gold ..	916	Gold ..	2,038
1913		1923		1933	
Wool ..	8,058	Wool ..	10,905	Butter ..	11,649
Frozen Meat	4,450	Butter ..	10,689	Frozen Meat	9,846
Butter ..	2,062	Frozen Meat	9,013	Wool ..	7,422

\* One generally estimates the national income per head of the population in New Zealand to be higher than that of the United States or Great Britain. Colin Clark (*The Conditions of Economic Progress*) estimates that the income in the U.S.A. and Canada is by 10 to 15 per cent higher than that of New Zealand. But nobody doubts that the income per head in New Zealand ranks among the three highest in the world.

About fifty years after effective settlement began, nearly thirty-five thousand workers were employed in manufacturing industries. Meat preserving, freezing and boiling-down works producing the highest total value of any industry, followed by tanning and fell-mongering, grain-mills and saw-mills. The largest number of workers were employed in saw-mills, flax-mills and printing establishments.

To-day, about a hundred years after effective settlement, less than one hundred thousand workers are engaged in manufacturing industries, about ten thousand in mining and quarrying, and about twenty thousand on the railways. The number of workers on dairy farms is about as large as that engaged in mining and quarrying; about forty thousand workers are employed on construction work.

To-day, the total number of working people amounts to about five hundred thousand, a rather high figure for a total population of little more than one and a half million.

Though the country is small, the problem of labour conditions in New Zealand has always played rather a large rôle in twentieth century labour literature.

Official wage records and price records go back to 1873, and before we study in more detail the different aspects of labour conditions and the character of the labour movement, it is useful to survey first the development of wages. Unfortunately, it is not possible to compute an index of net wages, and therefore the wage statistics for New Zealand are less revealing than those for other countries. Furthermore, for a very considerable number of years no reliable data on the development of wages in agriculture are available. This certainly does not make for reliability of our data on wages for all workers.

As in other chapters, we begin with a table showing the development of wage rates in a number of individual industries:

#### WAGES IN INDIVIDUAL INDUSTRIES, 1873 TO 1940\*

(1900 = 100)

<i>Decade</i>	I. WAGES 1873 TO 1900			
	<i>Building Trade Workers</i>	<i>Metal Trade Workers</i>	<i>Mining</i>	<i>General Labour</i>
1873-80	101	112	82	95
1881-90	90	102	82	96
1891-1900	79	88	81	90

\* Wages by individual years, see Appendix to Chapter IV.

WAGES IN INDIVIDUAL INDUSTRIES, 1873 TO 1940\*—*continued*  
(1900 = 100)

II. WAGES 1900 TO 1940						
<i>Decade</i>	<i>Building</i>	<i>Metal</i>	<i>Mining</i>	<i>Food</i>	<i>Clothing</i>	<i>Agriculture</i>
1901-10	102	104	113	108	105	—
1911-20	117	122	139	126	124	139
1921-30	165	180	208	192	185	185
1931-40	161	179	205	199	182	174

Wages during the nineteenth century have remained stable in one trade and they have declined in three others. The development in the different trades was dissimilar. Building trade and metal trade workers received wages which declined regularly and substantially from decade to decade. Wages of miners remained fairly stable if we take decade averages. Wages of general labourers first remained fairly stable and then declined during the nineties. Yearly fluctuations were extraordinarily strong.

From the beginning of the twentieth century up to the war wages moved rather similarly in the different industries, excepting the wages of the miners, which moved up much more than those in the rest of industry. During the war, wages of the agricultural workers rose much more rapidly than those in other industries—a movement to be observed in other countries too, designed to keep the agricultural workers on the land. The two post-war decades are remarkable for the rise in wages of the food industry, while wages in the building industries rather lagged behind; agriculture lost its prominence in the rise of wages as it did in many other countries.

In the following table we give, averaged over the trade cycle, an index of wages in all industries, an index of the cost of living, and that unhappy product of too little knowledge of the movement of actual yearly average wages: an index of gross real wages. In the table following it, we give the gross real wage data compressed into trade cycle averages, but with the not unimportant correction of agricultural wages added to the general wage index for the period before 1909; for, while the data on wages paid in agriculture are not reliable enough as to the year to year changes, they are tolerable in an index of average wages by trade cycles.

\* Wages by individual years, see Appendix to Chapter IV.

## WAGES IN NEW ZEALAND, 1873 TO 1939\*

(1900 = 100)

<i>Trade Cycle</i>	<i>Gross Money Wages</i>	<i>Cost of Living</i>	<i>Gross Real Wages</i>
1873-87†	97	103	95
1888-95	82	90	92
1896-1908	97	104	93
1909-14	108	111	97
1914-22	144	158	91
1923-33	178	179	99
1933-39‡	178	165	107

The cost of living during the nineteenth century period under review have fluctuated more than wage rates; they have declined between the end of the seventies and the end of the eighties very rapidly indeed. Part of this decline is exaggerated since the rent did not decline as much as food-stuffs, and sufficient rent data are not available to include them in our cost-of-living index. Real wages, therefore, have moved less favourably than the above figures indicate. Since then the cost of living have tended upwards up to 1920. During the twenties they remained stable, fell feavily during the crisis, and have increased again considerably since 1933.

## GROSS REAL WAGES, 1873 TO 1939

*(Including Wages paid in Agriculture 1873 to 1939)*

<i>Trade Cycle</i>	<i>Index</i>	<i>Trade Cycle</i>	<i>Index</i>
1873-87†	97	1914-22	91
1888-95	94	1923-33	99
1896-1908	96	1933-39‡	107
1909-14	97		

As I suggested before, real wages between 1873-87 and 1888-95 moved even more unfavourably than the above figures indicate; the inclusion of rent prices would press them down even more. The increase around the turn of the century is insignificant and is largely over-compensated by the increase in the intensity of work. In fact, one can say that real wages during the sixty years from 1873 to 1933 have remained fairly stable, and since con-

\* Wages by individual years, see Appendix to Chapter IV.

† No trade cycle.

‡ Incomplete trade cycle.

ditions in other respects have deteriorated, it is obvious that the working and living standard of the worker in New Zealand has declined—if only on account of the increase in intensity of work which has taken place there as elsewhere in the capitalist world. The increase of real wages during the thirties in the above table is so obviously deceptive that the simple mention of wage losses through greatly increased unemployment suffices to convince every student of working conditions that net real wages, if one could compute them, would show a decline of the purchasing power at the disposal of the worker, as compared with the standard in the nineteenth century or the beginning of the twentieth century. During this last phase, too, the intensity of work has increased, of course, considerably.

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Those who have read the vast literature on labour conditions in New Zealand will miss in my estimates of the development of labour conditions an appreciation of the large and important beneficial aspects of labour and social legislation in New Zealand, about which this literature abounds.

True, around the turn of the century New Zealand was very progressive indeed in social legislation. After almost two decades of depressed business and labour conditions—remarkable for insecurity through unemployment and constantly menacing or actual wage cuts—social conditions had reached a point where the ruling class was extremely disturbed about the future. In fact, conditions had become so bad that there was more emigration than immigration—an intolerable condition for a country such as New Zealand, scantily populated and dependent upon a growing labour supply. Beginning with 1880, and all through the decade, the desperate workers appealed to the Governments of the United States, of Victoria, of Britain and other countries for help. The famous maritime strike of 1890 in Australia was joined, as a matter of solidarity, by the workers in New Zealand, and it must not be imagined that the above-mentioned appeals by the workers to foreign Governments were of an "escapist" nature; the labour movement in New Zealand did not lack the determination to fight their own capitalists in order to

better their labour conditions. From the very first, since the early forties in fact, the workers had fought for the eight-hour day and had succeeded in gaining it in a number of trades. And though none of the early trade unions survived, and though the period of the gold rush made progress easy for some time, the hardy fighting spirit remained, and during the black eighties trade unions sprang up in many places and extended their activities to the organization not only of the skilled but also of the unskilled workers.

But even though the unskilled workers were taken into the unions, the trade union movement on the whole was built on craft lines—although the trade unions were animated by a healthy spirit of aggressiveness, the ideas of socialism, of class struggle, of revolutionary strategy and tactics had not as yet permeated them.

When, under such industrial, economic and labour conditions—industrial labour joining hands in its fight with the small farmers\* smarting under the effects of land monopoly—the ruling class turned the wheel around and inaugurated the era of bourgeois liberalism in New Zealand labour affairs, the trade unions fell for it, and while they gained a number of advantages through the considerable amount of social legislation adopted around the century, they lost because they mistook the dope for the cake. Social legislation combined with an upturn in general business conditions, misled the workers into mistaking alleviation of the evil for its eradication. It is advisable to show in more detail the problems involved since it is absolutely necessary to be clear about the rôle of social legislation under capitalism, and since, at the same time, conditions in New Zealand in the two decades around the turn of the century provide an ideal research field on this subject. The political situation is described by Mr. Reeves as follows:† The Radicals, or, as we would say to-day, the progressive Liberals, took power in January 1891, supported by Labour. "True, the number of Labour members returned in New Zealand was but five, and

\* In fact, the small farmers' movement was the decisive force bringing about the change of government and policy.

† William Pember Reeves, *State Experiments in Australia and New Zealand*, vol. i, pp. 76, 77.



they did not attempt to form a separate party. But fully twenty Progressives were generally pledged to the Labour programme, and most of the party owed their election to the Labour vote. One or two hesitant followers of Mr. Ballance (the Radical Prime Minister—J. K.) had been cut out. The result was singular. Nothing could have been less theatrical than the entry of Labour into the New Zealand Parliament. To all appearances it merely meant that half a dozen quiet, attentive, business-like, well-mannered mechanics took their seats in the House of Representatives. The Labour members did not increase in numbers. Nor did they supply the Progressives with a policy. But the organized support which they and their unions gave the Radical leaders made all the difference. The Progressive leaders already had a policy, and now this was carried through Parliament in a thorough, almost uncompromising, fashion." Briefly, sincere liberals and reformers were supported in the pursuit of a liberal bourgeois policy by labour leaders who, it is true, had no policy of their own because their reformist policy was not a labour policy, a policy for labour, but a policy of liberal reform, which was identical with that of the liberal progressive part of the bourgeoisie. This does not mean, however, that Labour had no programme at all. On the contrary, in 1885, the Otago Trades and Labour Council had developed a programme of social labour legislation which was simply taken over by the liberals. Since this programme was not part of a general genuine labour and farmer policy which would do away with capitalism in industry and agriculture, it could form part of the policy of a Liberal Government.

The social legislation which was passed really meant something for the worker, and if it had been regarded only as an achievement "for the duration of capitalism," as an incentive for further and more far-reaching achievements, and as an advantage under a system which must eventually be overthrown, the working class of New Zealand might have gained a large success through this legislation. But this was not done, and so, with the introduction of old age pensions, a progressive factory act, truck and wages protection acts, special legislation to improve working conditions in dangerous industries (mining, building, etc.), workmen's compensation acts, legal provisions for

holidays, conciliation and arbitration acts, etc., labour forgot that it was engaged in a struggle for power.

Nor is this all. Not only did the workers let themselves be deceived at the time, but since the nineties there has existed an impression in the labour movement of many countries, besides that of New Zealand, that, measured by modern standards, social legislation in New Zealand is far in advance of that in other countries. In actual fact, however, very little important social legislation has been passed between 1903 and 1938 (though a number of improvements were made in the existing field of legislation, and a Labour Government introduced the forty-hour week for a limited number of workers), and in some respects social legislation in New Zealand was, in the post 1914-18 years, behind that of other countries. One of the most important aspects of modern industrial labour conditions which, until very recently, was much neglected in New Zealand, is legislation to alleviate the consequences of unemployment. It is significant that there are not even reliable unemployment statistics. Health services have been neglected too, until the Social Security Act of 1938 brought a partial remedy in this and other fields. It is a bitter commentary that, while trade union leaders all over the world were praising the social legislation in New Zealand, a courageous civil servant wrote in the New Zealand Official Year Book :\* "It must be admitted, however, that in respect of social legislation generally the initial pre-eminence of New Zealand has been largely lost."

The Social Security Act of 1938, the most important piece of social legislation enacted in the British Empire during the last twenty years, and the most important piece of social legislation enacted in New Zealand since the fall of the Radical Government in 1906, has changed conditions considerably, and to-day, under a Labour Government, New Zealand is again ahead of all other countries under capitalist rule. Benefits generally have been increased (e.g., old age pensioners receive 30s. a week, a married couple £3). Workers are protected now not only against extreme poverty in old age and disablement, but also through sickness and unemployment benefits (new steps forward in New Zealand), and the benefits paid are higher than in other countries. But

\* Forty-Sixth Issue, 1938, p. 771.

here again alleviation takes the place of measures designed to eradicate unemployment and the causes of social insecurity, to eradicate the economic anarchy prevalent under capitalism.

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It is most useful to get a more intimate glimpse into the life of the workers and some general aspects of economic conditions at the period when New Zealand was "pre-eminent" in the world in social legislation. This is possible through the *Report and Evidence of the Royal Commission on Cost of Living in New Zealand*, published in 1912, and referred to changes in conditions during the preceding twenty years.

While these twenty years undoubtedly brought considerable progress in social legislation,\* another phenomenon developed which changed the structure of New Zealand economy in a way most detrimental to the masses of the people. This phenomenon was the formation of trusts, combines and monopolies. Speaking of restraint of trade in general, the Commission says: "It has proved to be the greatest curse of modern civilization, enabling unscrupulous individuals to amass immense fortunes at the expense of the people." As to New Zealand herself, the Commission finds:†

"The evidence that the Commission has been able to collect proves conclusively that trusts, monopolies, and combines operate extensively in the commerce of this country. . . . An isolated, highly-protected and sparsely-populated country like New Zealand, so far distant from the world's markets, especially lends itself to the manipulations of trusts and combines. It is a comparatively easy matter for a few wealthy individuals in any given industry or business to secure control of the output, and by slightly raising prices to levy secret taxation on the whole community. . . . It is also impossible from the evidence to measure the extent, as expressed in percentages, to which trusts,

\* One of the most important fields in which we find sound progress is the attempt to eliminate the sweatshops. The famous articles in the *Otago Daily Times* in January 1889 revealed conditions in the clothing trade in Dunedin which are paralleled only in the slums of New York, London and similar centres of cruel sweatshop exploitation. The partial elimination of the sweatshop proceeded much more quickly and with more success in New Zealand than in most other countries.

† L.C. p. lxvi.

monopolies, and combines have raised prices in New Zealand, but there is no doubt that some prices have been appreciably raised through the operations of these bodies. . . . But what appears to your Commissioners to be particularly reprehensible is the practice common in New Zealand of combinations in different branches of trade not merely fixing selling-prices, but fixing penalties for breaches of the agreement to sell as arranged, or bringing pressure to bear on suppliers to refuse supplies to independent traders who do not conform to their selling conditions."

While the gaze of the workers and of all progressives was fixed upon the creation of an advanced system of social legislation, the large-scale capitalists formed monopolistic organizations in order to increase their profits much more rapidly than before, at the expense of the masses of the people. And while the progress of social legislation was stopped early in this century, the monopolistic structure of industry and trade became firmer and more thoroughly organized until it dominated the whole economic life of the country, just as it dominates that of other capitalist countries to-day.

But the Commission not only found that the masses of the people were being robbed by the monopolists. It also found evidence of widespread misery, in spite of all the social legislation enacted. One of the most distressing facts of the workers' life were the terrible housing conditions prevailing on the countryside as well as in the cities. In the rural areas, accommodation was so scarce that the Commission had to report:\* "Several witnesses stated that the migration of workers to the cities was partially due to the difficulty married men experience in finding accommodation sufficiently near to their work to enable them to live with their families in the country. The Commission is of opinion that this is a serious evil, and warrants the earnest attention of our Legislature." As to the cities, let us hear a rather prim social worker on this subject:† "I think it is simply disgraceful the way in which some of these small houses are crowded—sometimes with families of nine or ten children. These poor people have to take such small houses because they cannot afford to pay a higher rent. If you tell the Inspector he

\* L.c. p. lxiii.

† L.c. p. 67.

goes to them and tells them that they must move; but how can they move when they have not got the money and cannot afford higher rent?"

Added to housing difficulties is insecurity of employment. While the unemployment figures before the first world war cannot impress us deeply to-day, this should not make us insensible to the fact that the insecurity of employment had already at that time a very serious influence on the life of the worker. The report, with wonderful foresight, prophesies:\* "Physical degeneracy, and the harassing prospect of employment in the towns, a prospect that soon every nation will have a huge derelict population, not merely unemployed but unemployable. . . ."

In fact, the standard of living of the people is so low, their expenditure is so restricted to the daily necessities of life, that any expense outside the routine throws them deeply into debt. As the above-mentioned social worker said about one, by no means extraordinary but still not "routine," item:†

"These extra (maternity—J. K.) expenses often handicap a family for more than a year. It is not only the doctor's expenses, but there has to be special food obtained, and extra blankets, and many other things. People seem to forget how much that is to some families. Some mothers cannot leave their houses to go into maternity homes at that time. I mention that because there has been so much talk recently about the birth rate. A great many people do not seem to realize what a burden that expense is to many families."

Three more quotations will suffice to complete the picture of conditions under "pre-eminent social legislation."

The first refers to living conditions among unskilled workers in general. It is taken from the testimony of the representative of the Canterbury General Labourers' Union:‡

"I can assure this Commission that there are a number of general labourers in this town who are living below what is really a fair living wage: I mean that they are not living as human beings ought to live. They cannot provide sufficient food and clothing and proper shelter for their families."

The second indicates the effect of children working in the

\* L.c. p. lxiv.

† L.c. p. 69.

‡ L.c. p. 102.

country upon their development, and is taken from the evidence of the Inspector of Schools for the Auckland Education District:\*

"I have noticed some cases where the children have a very drowsy appearance. I have been told that they have to get up very early in the morning to milk—in summer sometimes at 3.30 a.m.—and that they have also to milk in the evening, and feed the calves after that. Of course, home work is an utter impossibility under such conditions. . . . Teachers have spoken of the children falling asleep in the school in the afternoon, especially in the summer months, when it is difficult to keep some of them awake."

And now a final quotation, showing the increased drive in the factories, the rapid increase in intensity of work, and their effect on the worker and his work, taken from the evidence of a carpenter:†

"The causes of lowered efficiency are casual work and lowered feeding, also the 'driving' of the men at their work. There is a good deal of this going on; but I was forcibly reminded of this by reading the following in an article published in the *Journal of the Department of Labour* (March 1911, p. 191):

"'Don't employ old people. Weed out those, old and young, who can't keep the pace, and those who fail to work in perfect accord with you. In business, the best manager is the man who gets the whole product out of the machine quickest. There will be better machines on the market to-morrow. Don't be caught with junk on your hands. I used to urge my foreman; use the machines up, then scrap them. So with men.' . . .

"That is the American system, but there is a great deal of it in the colonies too, though not so much. The Commission should consider what becomes of the 'scrapped' men."

Such was the state of working and living conditions at a time when New Zealand was being praised as the promised land of the workers not only by liberals and reformers, but also by responsible trade unionists all over the world. Since then conditions have been improved in many respects, but they have deteriorated in others (intensity of work, accidents, etc.).

\* L.c. p. 278.

† L.c. p. 371.

The last quotation raises the question of whether it is possible for New Zealand to give us some measure of the increase in the intensity of work. The only measure available, unfortunately, is a very indirect one: the study of the development of accidents. The frequency rate of accidents in modern industry, or rather its development, is a resultant of the progress of accident-prevention measures on the one hand and increasing intensity of work on the other. There is no doubt that there is a continuous progress in the application of measures to prevent accidents. If under such conditions accidents do not decline, or even increase, then we can be sure that the intensity of work increases considerably, increases, in fact, so much that it counterbalances or even outweighs the beneficial effects of improved accident-prevention measures.

There are two sets of useful figures available. The first one gives fatal accidents in coal mines, the second gives a general figure of fatal and non-fatal, but serious, accidents in industry as a whole.

#### FATAL ACCIDENTS IN COAL MINING, 1909 TO 1938

(Per 1,000 Employees)

Year	Accidents	Year	Accidents	Year	Accidents	Year	Accidents
1909	1.79	1917	1.00	1925	1.67	1932	2.56
1910	3.55	1918	1.50	1926	2.90	1933	1.59
1911	3.26	1919	2.53	1927	1.86	1934	1.78
1912	2.08	1920	0.24	1928	1.67	1935	0.47
1913	1.38	1921	2.29	1929	2.18	1936	0.94
1914	10.35	1922	1.32	1930	2.38	1937	1.36
1915	2.16	1923	1.00	1931	0.69	1938	2.41
1916	1.50	1924	2.05				

#### ACCIDENT FREQUENCY IN INDUSTRY AS A WHOLE\*

(Per 100,000 Man-hours Worked)

Year	Frequency	Year	Frequency	Year	Frequency
1924	1.03	1929	2.50	1934	2.02
1925	1.82	1930	2.56	1935	2.37
1926	2.11	1931	2.46	1936	2.68
1927	2.42	1932	2.20	1937	3.05
1928	2.21	1933	2.39	1938	3.11

\* Excluding scaffolding accidents.

If we combine these indices into trade cycle averages and improve the figures given for the coal industry by taking into account changes in the number of hours worked per day or shift, we arrive at the following figures:

# ACCIDENTS, 1915 TO 1938

<i>Trade Cycle</i>	<i>Index of Fatal Coal Mining Accidents</i>	<i>General Industrial Frequency Rate of Accidents</i>
1915-22*	100	—
1923-33	128	2.17
1933-38†	101	2.60

The rate of accidents, in spite of undoubted improvements made during the last quarter of a century, has increased. This is irrefutable proof of the rapid and brutal increase in the intensity of work. Accidents in industry during the last trade cycle are by about 20 per cent higher than during the preceding cycle; the toll of the workers' life and health taken through an ever increasing drive has risen considerably. In coal mining the fatal accident rate, after a rise of 28 per cent, has declined again almost to the level prevailing between 1915 and 1922. But this too indicates over the period as a whole an increase in the tempo of work which over-compensates or compensates the increased application and the improvement of measures to prevent accidents.

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Before concluding this short survey of labour conditions in New Zealand it is useful to look over the strike record of the labour movement. From the above observations nobody will be surprised if the number of strikers has been, on the whole, not very large. And yet, only those who know the conditions intimately will believe their eyes when they see in the official publications that the number of striking workers during the years from 1906 to 1914 was less than one thousand in five years, and that the record figure of thirteen thousand four hundred in 1913 amounted to less than 5 per cent of all workers. In fact, there is not a single year in the twentieth century when

\* 1914 left out because of the abnormally high figure due to the explosion at Ralph's Colliery, Huntly.

† Incomplete trade cycle.



the number of striking workers reached even the extremely low percentage of five.

But while the strike record, if we take figures for the country and for industry as a whole, is unimpressive, the history of New Zealand labour in the present century is not without instances of great, intensive and important fights, and the sons of the generation which fought the maritime strike of 1890 have proved themselves in many respects worthy of their fathers. During the years 1912 and 1913, under the leadership of militant trade unionists, organized in the Federation of Labour, a number of highly important strikes took place directed against the growing wave of reaction, and animated by a spirit which was opposed to the regulation of labour conditions by compromise and arbitration. But the workers were beaten again and again; they lost the six months' strike of the Waihi miners for union recognition and the strike of the waterside workers in Wellington and Auckland, where the workers took possession of the wharves in their fight against an arbitration court award. They lost because the Government succeeded in enrolling the farmers on its side, and many a farmer became a strike-breaker. The lesson of the eighties, when small farmers and workers began to join forces, was forgotten, and labour had to suffer from reaction for more than twenty years, basing its government not only on the strength of vested interests in industry and agriculture, in town and country, but also on the split between the small farmers and the industrial workers. The first great rally of the forces of labour took place during the crisis of 1929-33, when the unemployed movement began to be organized (progressive elements from the trade unions, the Labour Party and the Communists forming the leadership). Soon unemployed councils spread over the whole of the country and at some stages more workers were organized in these councils than in the trade unions. Mass demonstrations forced the Government to give increased relief. The unemployed workers continued to harass the Government into new, though as yet only small, concessions. The Government became less and less able to keep the people chained to its chariot of reaction, a not inconsiderable number of farmers began to break away, and the 1935 election brought about the election of the first Labour Government in

New Zealand. The new Government introduced numerous measures designed to improve labour conditions, chief among them the Social Security Law, without, however, changing anything fundamental in the relations between capital and labour.

The Government was supported chiefly by a rapidly growing trade union membership. The trade union movement had developed favourably throughout the whole of the twentieth century. Though the number of organized workers was only about twenty thousand in the beginning of the century, less than 10 per cent of all workers, the New Zealand labour movement entered the first world war with the fair organization percentage of about twenty. After the war the percentage passed the twenty-five mark, the total number of organized workers in 1920 being about one hundred thousand. To-day, about two and a half times as many workers are organized.\* The organization percentage, thus, is far superior to that in the European and American countries.† And yet, the history of the last two years has shown that the best and most thorough trade union organization is weak without the drive of a strong, active, politically conscious leadership which succeeds, not only in forcing from the bourgeoisie a thorough liberal reform of conditions, but fights for a change in the social structure of society.

\* All figures exclude unions not registered under the Industrial Conciliation and Arbitration Act.

† The 1936 Act providing for compulsory trade union membership on the part of the workers, subject to an award or industrial agreement, is responsible for the increase shown in recent years.

# APPENDIX TO CHAPTER IV

## LABOUR CONDITIONS IN NEW ZEALAND

### I. TABLES

#### 1. WAGES IN INDIVIDUAL INDUSTRIES, 1873 TO 1940

(1900 = 100)

(a) WAGES 1873 TO 1900

<i>Year</i>	<i>Building Trade Workers</i>	<i>Metal Trade Workers</i>	<i>Mining</i>	<i>General Labour</i>
1873	88	116	77	100
1874	100	119	113	100
1875	97	108	72	86
1876	106	113	72	86
1877	95	113	72	86
1878	111	108	92	100
1879	106	111	72	100
1880	103	108	87	100
1881	109	108	87	100
1882	103	108	87	100
1883	94	103	87	100
1884	94	108	87	107
1885	94	108	85	104
1886	88	101	77	93
1887	83	95	86	100
1888	79	97	77	86
1889	77	97	75	86
1890	77	92	75	86
1891	73	89	69	86
1892	71	95	77	82
1893	85	87	82	86
1894	71	81	72	93
1895	71	84	82	86
1896	71	81	82	86
1897	73	81	82	86
1898	89	93	79	93
1899	90	92	87	100
1900	100	100	100	100

1. WAGES IN INDIVIDUAL INDUSTRIES, 1873 TO 1940—*continued*  
(1900 = 100)

(b) WAGES 1900 TO 1940

<i>Year</i>	<i>Food</i>	<i>Clothing</i>	<i>Mining</i>	<i>Metal</i>	<i>Building</i>	<i>Agriculture</i>
1900	100	100	100	100	100	—
1901	102	102	100	100	100	—
1902	105	102	110	104	101	—
1903	107	102	111	102	101	—
1904	107	102	111	102	101	—
1905	107	102	111	101	102	—
1906	109	106	111	101	102	—
1907	109	106	115	101	103	—
1908	109	106	115	109	104	—
1909	112	107	121	110	104	105
1910	112	111	121	109	104	106
1911	114	111	123	111	105	107
1912	114	111	123	112	106	107
1913	117	114	125	113	106	107
1914	119	115	134	114	113	119
1915	118	116	135	115	113	138
1916	123	116	135	117	114	142
1917	130	125	140	121	116	152
1918	131	129	153	128	117	160
1919	134	136	156	139	134	170
1920	155	162	163	151	142	176
1921	177	186	206	175	169	178
1922	185	195	211	183	176	173
1923	181	179	203	176	162	178
1924	184	180	208	175	163	177
1925	192	185	210	176	163	178
1926	196	183	210	179	163	178
1927	200	183	210	183	163	177
1928	201	186	208	183	164	205
1929	202	186	208	183	164	205
1930	202	186	208	183	164	202
1931	190	176	196	173	155	176
1932	178	167	189	163	148	138
1933	173	167	188	157	145	129
1934	173	167	189	157	145	132
1935	178	168	193	160	147	135
1936	192	178	202	173	157	175
1937	212	188	215	185	167	205
1938	226	192	223	198	178	213
1939	230	203	223	204	179	216
1940	236	211	232	209	184	218

## 2. WAGES IN NEW ZEALAND, 1873 TO 1939

(1900 = 100)

<i>Year</i>	<i>Gross Money Wages</i>	<i>Cost of Living</i>	<i>Gross Real Wages</i>	<i>Year</i>	<i>Gross Money Wages</i>	<i>Cost of Living</i>	<i>Gross Real Wages</i>
1873	98	105	93	1907	103	109	94
1874	108	115	94	1908	105	109	96
1875	91	105	87	1909	105	108	97
1876	94	103	92				
1877	92	105	88	1910	106	109	97
1878	103	112	92	1911	106	108	98
1879	97	118	82	1912	107	111	96
				1913	111	114	97
1880	99	105	94	1914	115	118	97
1881	101	102	99	1915	122	127	96
1882	99	106	93	1916	125	136	92
1883	96	104	92	1917	131	148	89
1884	99	101	98	1918	135	160	84
1885	98	93	105	1919	146	171	85
1886	90	93	97				
1887	91	78	117	1920	158	192	82
1888	85	85	100	1921	180	194	93
1889	84	81	104	1922	184	179	103
				1923	175	180	97
1890	83	87	95	1924	177	185	96
1891	79	90	88	1925	180	189	95
1892	81	86	94	1926	182	190	96
1893	85	95	89	1927	183	188	97
1894	79	98	81	1928	188	189	99
1895	81	96	84	1929	188	189	99
1896	80	98	82				
1897	81	99	82	1930	188	184	102
1898	88	104	85	1931	177	170	104
1899	92	101	91	1932	161	157	103
				1933	155	149	104
1900	100	100	100	1934	156	152	103
1901	101	102	99	1935	160	157	102
1902	102	105	97	1936	176	162	109
1903	102	104	98	1937	192	173	111
1904	102	104	98	1938	201	179	112
1905	102	108	94	1939	205	186	110
1906	102	110	93				

## II. SOURCES AND REMARKS

The statistical material on labour conditions for New Zealand is of an inferior quality to that of Australia. The reason for this is not that statistics of wages and prices in New Zealand are inferior to those for Australia. The reason is a technical one: for Australia we have at our disposal the data for six different

states, and often, again, for different cities within one state; thus, the great number of price and wage quotations reduces the distortion of the index through isolated extraordinary movements or some incorrect reports for individual cities or states. In New Zealand, on the other hand, we have data for one single country only, and for a number of cities within this one country only; some incorrect quotations of prices and wages, therefore, play a much greater rôle in the final index.

Export statistics and those of employment in different industries are taken from the New Zealand Official Year Book.

For the calculation of wage statistics I used (applying the same methods of computation as in the case of Australia), for the years 1873 to 1901, the annual publication *Statistics of the Colony of New Zealand* (making use only of the data on wages in Auckland), and for the last years of the century, the wage data given by G. W. Clinkard in his wage study published as a special article in the New Zealand Official Year Book, 1919, p. 860 f.; the latter source also was used for wage data for the years 1901 to 1909, supplemented by data from *Statistics of the Colony of New Zealand*. Since 1909 the regular official wage publications in the Official Year Book were used (the general wage index comprising more data than given separately in my tables). In the text we remarked upon the fact that in calculating average wages by trade cycles we used agricultural wage data which are missing in the yearly statistics up to 1909. In order to facilitate the observation of the influence of the additional data on the index I give here the real wage data, including and excluding agricultural wages:

#### REAL WAGES, 1873 TO 1908

(1900 = 100)

<i>Trade Cycle</i>	<i>Wages including Agriculture</i>	<i>Wages excluding Agriculture</i>
1873-87	97	95
1888-95	94	92
1896-1908	96	93

Agricultural wages have had an elevating influence upon the index of general wages in the thirty-five years between 1873 and 1908, not because agricultural wages were higher than those in

other industries—on the contrary, they were lower—but because, as compared with the twentieth century, agricultural wages in the last quarter of the nineteenth century were much higher than industrial wages; or, to express it differently, while wages in other industries showed a tendency to rise over the period under review, agricultural wages remained rather stable.

The cost of living was calculated from the following sources: food prices, 1873 to 1891, in Auckland, taken from the annual Statistics of the Colony (bread, beef, mutton, butter, milk, tea, coffee, sugar, tobacco and, since 1885, also eggs and potatoes, each weighted according to the weights given in the official Report on the Cost of Living in New Zealand, 1891-1914); food prices in Auckland, 1891 to 1900, as given in the above-mentioned official cost-of-living study; fuel prices, 1885 to 1900, as given in the annual Statistics of the Colony and in the cost-of-living report; rent prices, 1891 to 1900, as given in the cost-of-living report. Cost of living, 1900 to 1939, as published in the cost-of-living report and in the Official Year Book.

The accident, strike, and trade union membership statistics are taken from the Official Year Book.

## CHAPTER V

### LABOUR CONDITIONS IN SOUTH AFRICA

SOUTH AFRICA is famous the world over for the complexity of its labour conditions. It forms a special field of investigation for the advanced student of capitalist exploitation. In it we find characteristics which dominate the picture in primitive colonies and at the same time characteristics which dominate the picture in dominions populated by white men.

South Africa, in contrast to Canada or Australia or New Zealand, has a large native population. At the same time, in contrast to other African colonies, or to India, she has a large white population. Unlike India, she has no native bourgeoisie. In contrast to that in other dominions, the bourgeoisie in South Africa is split into two sections, British and Afrianders, each with a different national background and with different vested interests, the former, for example, dominating mining, the latter having a large share in the secondary industries and in the big estates.

To complicate the situation, the white population is sharply divided into the rich and the poor—and this in a country where white domination “socially” requires a considerably higher standard of living for the whites than for the natives.

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Economically, the dominant features of the country during the last seventy years have been agriculture and mining, first diamond mining and then gold mining. Even to-day manufacture plays a secondary rôle in industry as compared with mining.

British interests dominate the economy of the country; almost half of the outstanding debt has been floated in London. This does not mean that there are not some very prominent South African capitalists with considerable investments in the dominion.



Before we study the conditions of labour it is useful to get some idea of the number of workers employed and the racial distribution of the workers in the various branches of South African economy.

The total population of the Union is around ten million, of which about two million are "Europeans"—that is, white—while eight million are "Non-Europeans"; of the latter, almost seven million are Bantus, a quarter of a million are Asiatics—among them many Indians—and about eight hundred thousand are coloured. The relation between the different races has changed little during the twentieth century.

But while the relation between the different races has changed little, the twentieth century brought the problem of the "poor whites." Officially this problem is recognized in the following language: \* "There is, for example, in the Union, a portion of the population generally known under the somewhat unsatisfactory name of poor whites, whose number, though never accurately determined, is known to be very considerable, and whose presence in the great industrial centres and other urban areas has been recognized as constituting one of the greatest social problems of the Union." In actual fact, one can estimate the number of "poor whites" at about one-sixth of the white population. Who are they? What is their origin? Why are they a problem? There are millions of poor whites in Britain and they are not regarded as "one of the greatest social problems." On the contrary, the attitude of the ruling class is that, though one must do something for them if one can, they have always been here and they belong to society as constituted to-day. So why are they such an urgent problem in South Africa? The reason is, that in a country where white workers are officially called "civilized labour," and where the mass of the workers are natives, poor whites are a danger to the myth of the white man's superiority. If white men are unemployed, if white men are going hungry, if white men behave immorally on the streets instead of in their private well-furnished homes, if white men come down to the standard of the natives, then society is endangered, and thus the poor whites become a terrific social problem.

\* *Official Year Book of the Union of South Africa*, 1931-32, p. 167.

These poor whites were originally farmers, hunters or simply adventurers, most of them of Dutch stock; that is, Afrianders who lost their occupations (as hunters), who lost their cattle (through the Rinderpest), but who continued to stay on the land, holding on to a small plot which did not suffice to keep them going, or who tried to find work "in superior positions" no other farms, or who drifted into the cities to find "white work"; who declined "Kaffir work"; who, though becoming demoralized and sinking to the status of "Lumpen-proletarians," felt themselves to be above the natives, and preferred to see their children grow up as illiterates and without any kind of training rather than gain a livelihood in competition with native labour. They are the sorry products of class prejudice and exploitation, of capitalist robbery and snobbery. They are the victims of the general crisis in capitalist agriculture with monopoly landlordism on the one hand, and on the other hand technical backwardness, gradual splitting up of holdings which were small to begin with, of growing indebtedness and price manipulation in favour of industry. The only way out of their misery, a common front with the natives, they consider to be barred because of their own race complex, which is well-nourished and constantly maintained by their richer "equals in civilization." They have proved a fertile ground for Fascist propaganda.

Native labour, of course, is the chief source of exploitation, or, as it is expressed officially:\* "It is generally admitted that the prosperity of South African trade and industry depends to a very great extent on an adequate supply of relatively cheap, unskilled, non-European labour. This labour is available in the form of (a) Cape Coloured, (b) Asiatics, (c) natives." How important a source of exploitation native labour is to the employers, especially to the mine-owners, is easily illustrated by the fact that in the mines a certain ratio is fixed between European and native labour, and when the world economic crisis of 1921-22 came, the mine-owners tried successfully to keep their profits as high as possible by changing the ratio between Europeans and natives in favour of the natives. The white employees struck unsuccessfully against this change in the ratio. Between 1911 and 1921, the ratio of white to native labour in the

\* L.C., 1938, p. 306.

Witwatersrand gold mines fluctuated between 1 to 7.4 and 1 to 9.1; in 1922 it declined to 1 to 11.6. The higher the proportion of native labour the higher the profits.

At the same time, and quite contrary to the above tendencies,\* "The steady influx into the towns from country districts of large numbers of Europeans of the semi-skilled and unskilled type has led to the development of a sentiment favourable to the employment of European labour in occupational spheres which in past years were regarded as adapted primarily for native labour." However, the problem is not simply of finding work for white workers in new occupational spheres, where up to now native labour was employed. For native labour, as we have seen, is preferred because it is cheaper and white labour, the rules of society demand, must get considerably higher wages. One must find such work for white labour which, by "its very nature is superior," for "the unskilled European worker has of necessity found himself in active competition with the native or coloured labourer, forced to maintain a higher standard of living, but not readily able to command a rate of pay compatible with the maintenance of what has come to be regarded as the traditional European or civilized standard of life."†

The complexity of labour problems, from the point of view of the ruling class, becomes clearer. The employers are all out for native labour, for native labour is cheaper and gives higher profits. The existence of a large class of poor whites influences "public opinion" (that is, the largest part of the white population which is not big capitalist) in the direction of favouring large-scale employment of white labour where, beforehand, native labour was chiefly used. This means, however, that higher wages are paid for work done previously by natives, for the whites must have a decent, civilized, European standard of living which, of course, is not necessary for native labour. On the other hand, while the margin between native and white labour must exist, it should be as small as possible.

But, as if this were not complex enough, further difficulties arise from the following fact: there is "in recent years the increase of native and coloured competition in semi-skilled occupations."‡ That is, the native workers become competitors

\* L.c., 1938, p. 260. † L.c., 1931-32, p. 167. ‡ L.c., 1923, p. 308.

in occupations which formerly were held to be exclusively reserved for white men. And not only that: the employers are so anxious to employ native labour that they are forced, while competing against each other for this labour, to improve the natives' working conditions to a certain degree. "While the mining industry was at one time almost the only well-paid source of employment for natives, other industries and undertakings are making increased use of native labour, and, by improving conditions of employment, are becoming formidable competitors in the labour market. The time has arrived when the extent to which employers will be able to obtain native labour will depend on how their conditions of employment and observance of contractual obligations compare with those of their rivals."\* But even such a frightening appraisal of the situation does not show all the difficulty of the situation in which the ruling capitalists find themselves. There is an additional factor which promises to become the most menacing: the natives are becoming restless and politically conscious. "In recent years tendencies towards industrial and political unrest and some crude form of industrial combination have manifested themselves among urban natives. The strike of seventy-one thousand natives employed on the Witwatersrand mines in 1920 was a phenomenon which had not previously been witnessed in South Africa on a similar scale; and it had particular significance as an evident reflection of sentiments and methods prevailing among European workers. In its annual report for 1921, the Native Affairs Commission dwelt on this aspect of native evolution, and noted, as symptoms of the new conditions of native life, the increasing disintegration of the old tribal system, the moral decline of the people, the influence of the half-educated agitator, and the existence of a growing dissatisfaction with authority."†

It is obvious that under such conditions semi-Fascist and Fascist ideas have found fertile ground in the ruling class, and that class dictatorship, based on a racial ideology, seems to some sections of the bourgeoisie to be a solution for the difficult problem of keeping the white workers in check. The latter are fed with the idea that, although they may be poor and their life wretched, they are much better off—if not economically,

\* L.c., 1938, p. 476.

† L.c., 1923, p. 980.

at least socially—than the natives who are their slaves. It is equally obvious that for the mass of the white workers there is only one solution: to join hands with the native workers.

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The majority of the people are engaged in agricultural work. Among the other industries of the country the most important is mining, which employs almost half a million workers. About 80 per cent are engaged in gold mining. Somewhat more than 11 per cent of the employees are whites, a relatively small number, if we remember that the total population is about 20 per cent white. The percentage of whites has, as we have seen, fluctuated somewhat during the present century, and in years of depression or crisis it tended to decline; but taken as a whole, the fluctuations have not been very large, and except for the years of the South-African War at the beginning of the century, the percentage of white employees in mining has never corresponded to the percentage of whites in the total population but has always been considerably lower.

Where manufacturing is concerned, the situation is the reverse. The percentage of white employees is far larger than the percentage of whites in the population. At the beginning of the century (in 1904) the number of whites engaged in manufacturing was about thirty thousand, while that of other workers was about fifty-six thousand; by 1920 the number of whites and of other workers had about doubled, the relation between them thus remaining about the same. To-day, the number of European workers has more than doubled as compared with 1920, while that of other workers had increased rather less. The percentage of white workers has increased in the factories as compared with the beginning of the century as well as with 1920, and, as we have said, it always was very considerably larger than the percentage of whites in the total population.

Of the one hundred thousand or more employees on the railways, somewhat more than 50 per cent are whites; here the percentage distribution of the workers corresponds even less than in manufacturing to the composition of the population as a whole.

If we investigate the distribution in individual occupations

of the gainfully occupied according to colour, we find that in many occupations, especially at "the top and the bottom of the social ladder," there are either almost exclusively white workers or only coloured workers. The big company directors are white men, the underground coal miners are black men. If we relate the occupations to the salary or wage in them, we find a very interesting relation between the colour composition of the population and the colour composition of the people engaged in the specific occupation. The relation can be expressed as follows: the higher the wage or salary the lighter the average colour of the people working for it.

The difference between the wages of native workers and employees and white ones is, in fact, enormous. This can easily be seen, for instance, from the following four figures taken from the last statistical survey of wages and salaries paid in the mining industry:\*

In 1939—

55,008 Whites received	£21,104,467
425,131 Others received	£14,129,172.

These four figures show that almost eight times as many native workers receive altogether only two-thirds of the total wage sum which the European workers and salaried employees are receiving. The average wage and salary per white worker is, according to the above figures, about £384 per year, that of the native worker is only about £33. These figures, however, hide a number of important facts. Among the whites are a number of very highly paid business executives and a large number of considerably less well-paid clerks and skilled workers. The native workers, on the other hand, receive some additional payment in goods which the whites usually do not receive. This is estimated by the Chamber of Mines to be worth somewhat more than a guinea per month.

But, whatever deductions one must make on the one side, and whatever additions on the other side, the difference between the wages of native and white labour remains enormous. This puts the relation between these two groups of workers on an altogether different level, for instance, from that between white and black labour in the United States. For in South Africa the

\* *Annual Report of the Government Mining Engineer for 1939, p. 2.*

wages of the whites are infinitely higher in relation to those of the coloured or natives than is the case in the United States.

\* \* \*

In the following table we study first the changes in wage rates paid to white workers in a number of industrial groups since 1914, with some additional data for some preceding years:

### WAGES IN INDIVIDUAL INDUSTRIES, 1895 TO 1938

(1910 = 100)

<i>Year</i>	<i>Gold Mining</i>	<i>Engineering and Metal Working</i>	<i>Building</i>	<i>General Manufacturing</i>	<i>Transport and Communication</i>
1895	97	96	95	94	—
1900	102	96	98	96	—
1905	108	98	101	99	—
1910	100	100	100	100	100
1914	98	102	104	104	111
1915	100	102	104	109	112
1916	98	111	105	114	119
1917	104	116	127	119	126
1918	111	131	136	127	136
1919	118	141	144	141	158
1920	157	169	172	170	195
1921	161	168	164	156	155
1922	111	126	141	142	151
1923	112	124	141	139	152
1924	117	124	141	138	154
1925	113	127	141	138	155
1926	116	127	141	139	156
1927	117	131	141	140	155
1928	118	131	146	141	155
1929	119	133	146	141	154
1930	120	133	146	137	158
1931	120	132	142	137	138
1932	120	130	130	136	132
1933	120	130	130	136	132
1934	119	130	129	139	136

WAGES IN INDIVIDUAL INDUSTRIES, 1895 TO 1938—*continued*

(1910 = 100)

<i>Year</i>	<i>Gold Mining</i>	<i>Engineering and Metal Working</i>	<i>Building</i>	<i>General Manufacturing</i>	<i>Transport and Communication</i>
1935	120	130	146	143	138
1936	120	131	149	144	143
1937	120	132	149	146	145
1938	120	133	151	148	146

Unfortunately, no data on the development of wages in agriculture are available. But even these figures are sufficient to show that the development of wages was in some individual industries quite different from the general trend. Foremost in interest is the development of wages in the largest single non-agricultural industry—in gold mining. Here wages have increased up to the end of the war very much less than in the other industries. In fact, in 1918 wages in gold mining had increased, since 1910, less than half as much as in any other large industry. Even after the jump in wages in 1920, gold mining still lagged behind considerably, while transport and communications had rapidly pushed forward, ahead of the other industrial groups. From 1920 to 1921 wages fell rapidly in all industries except mining, and wages in all industrial groups had reached a remarkably equal level as compared with 1920. But during the following year mining wages dropped steeply while transport wages remained almost stable, and since then mining wages have remained on a relatively low level, while transport and communication wages kept to the relatively higher level until 1931, when they dropped to what proved to be the general wage level for the remaining years under review.

If we now investigate, in the following table, the average wages for industry as a whole and their comparative changes in relation to prices, we must keep in mind two important facts: firstly, that these wages are wage rates, not actual earnings received, and secondly, that these average wage data exclude agricultural wages. Unfortunately it is not possible to measure the inroads which unemployment has made into the wages received by the white worker. Of course, this fact considerably distorts the figures in a period when unemployment is high or



rising. A second table, giving average wages for white as well as native and coloured workers and a comparison between these wages and prices, follows.

GROSS MONEY WAGES, COST OF LIVING, AND GROSS REAL WAGES OF WHITE WORKERS, 1895 TO 1939\*

(1910 = 100)

<i>Year</i>	<i>Gross Money Wages</i>	<i>Cost of Living</i>	<i>Gross Real Wages</i>	<i>Year</i>	<i>Gross Money Wages</i>	<i>Cost of Living</i>	<i>Gross Real Wages</i>
1895	96	104	92	1925	138	145	98
1900	98	119	82	1926	138	143	100
1905	101	108	93	1927	138	143	97
				1928	139	144	98
1910	100	100	100	1929	140	143	99
1914	103	109	97				
1915	105	115	94	1930	140	140	101
1916	110	122	93	1931	135	135	101
1917	117	134	91	1932	131	129	103
1918	130	143	94	1933	132	125	106
1919	141	158	92	1934	132	127	105
				1935	137	126	110
1920	172	196	91	1936	140	127	111
1921	164	197	96	1937	140	130	109
1922	139	148	97	1938	141	134	106
1923	137	143	99	1939	141	134	107
1924	137	145	98				

From the above figures it is obvious that real wages have changed very little during the whole century, except for the last few years, when they seem to have increased somewhat above the level prevailing before. If we remember, however, that these years were years of unusually high unemployment and very rapidly increasing intensity of work (neither of which has been taken into account), then we realize how deceptive these figures are. One may say, therefore, that if one takes into account wage losses through unemployment, real wage rates over the whole period under review—that is, during the twentieth century—have changed very little indeed.

Now let us look at a table showing wages for all workers, whether white or coloured or native.

\* The Gross Real Wages index is not the result of a division of the Cost-of-Living index into the Gross Money Wages index, but of a combination of several gross real wage indices for separate wage groups. Real wages of gold miners are, for example, calculated with the help of the retail price index for the Witwatersrand.

## ACTUAL EARNINGS OF EMPLOYED WHITE AND COLOURED WORKERS AND THEIR REAL WAGES, 1902 TO 1938

(1902 = 100)

<i>Year</i>	<i>Money Earnings</i>	<i>Real Earnings</i>	<i>Year</i>	<i>Money Earnings</i>	<i>Real Earnings</i>
1902	100	100	1921	135	98
1903	97	106	1922	115	100
1904	88	101	1923	115	103
1905	86	103	1924	114	100
1906	82	105	1925	118	105
1907	75	96	1926	112	101
1908	75	95	1927	112	101
1909	81	105	1928	112	101
			1929	117	105
1910	85	108			
1911	86	104	1930	112	103
1912	89	105	1931	117	111
1913	91	105	1932	116	115
1914	95	112	1933	119	121
1915	95	107	1934	124	125
1916	92	97	1935	125	128
1917	97	93	1936	127	129
1918	107	96	1937	131	129
1919	119	96	1938*	135	128
1920	139	91			

Taking into account short-time, but not unemployment, actual real earnings of the mass of the workers in South Africa declined, in comparison with the beginning of the century, during the previous world war. During the twenties they again reached the level of the early years of the century. The rapid increase during the thirties is offset by the rapid growth of wage losses through unemployment which, unfortunately, do not show in the above table.† On the whole, the workers in Africa have not fared differently from those in other parts of the world; their purchasing power during the twentieth century has not risen, while the security of employment declined rapidly during the thirties.

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\* Preliminary figures.

† It is absolutely impossible to give any data on the extent of unemployment. It is significant of the condition of unemployment statistics that the *Official Year Book* quoted above (1940, p. 250) terms rightly the unemployment position in 1933 as "particularly acute" and then gives a figure of 14,678 "European male adults registered for employment" in July 1933, which do not mean anything in relation to the actual number of unemployed. es

And while their purchasing power has not risen, while the security of their job has declined, the intensity of work has increased. More is taken out of them, and exhaustion, in spite of the shortening of the working day, is greater to-day than it was before. Nor do the workers suffer only from the increase in the intensity of work. In addition, miners' phthisis prevails to a very large degree among the workers in the largest non-agricultural industry. True, considerable progress has been made in combating this disease among the white workers. During 1938-39, 30,465 European miners were examined for tuberculosis and silicosis—that is, considerably more than half of all employed white miners. The incidence rate per thousand miners was 7·61 for silicosis, 1·19 for tuberculosis, and 0·16 for a combination of tuberculosis and silicosis—that is, not quite 1 per cent for all three categories together. Ten years before the rate was almost 4 per cent, and twenty years ago it was almost 7 per cent.

Quite different, however, is the situation among the native workers. Though more than half the white mine workers were medically examined, out of the 316,000 native labourers, less than 1 per cent, only 2,531, were examined. How has the incidence rate among them developed? The absolute figures are quite uninteresting, since only so few workers were examined. But the change in the rate is significant: since 1932-33 the incidence rate has increased from year to year, except for 1935-36, when it remained stable. The rate of 1938-39 is a record one.

An official statement about tuberculosis in South Africa makes impressive reading and shows clearly how poorly the native population was protected.\*

"From about 1880, consumptive patients began to come out to South Africa from Europe. The majority of these proceeded to the towns and villages in the dry, elevated areas of the interior. Within the next two decades the infection was widely disseminated, and the disease had taken a firm hold on the coloured and native population in which it found a virgin and congenial soil. In them it generally runs an acute course, and the percentage of recoveries, even under favourable conditions, is small. The disease is now widely prevalent among the coloured and native population, especially in the Cape Peninsula and south-

\* L.c., 1938, pp. 171, 172.

western districts of the Cape Province, and in the other towns of the Union. In some districts, however, it is becoming increasingly prevalent among the natives of the rural areas."

Another illness striking down the natives is typhus fever, and it is most interesting to see that in discussing this disease the official statement even goes so far as to concede that there exists a process of pauperization among the natives:\*

"This prevalence (of typhus fever—J. K.) is to be ascribed in large measure to the pauperization process affecting the non-European, especially during the depression years."

Syphilis, of course, is another very widespread evil brought to the natives through European channels; in some parts of the country up to 25 per cent of the native population are infected.

One of the reasons why diseases are so widespread and why they affect also the poor whites to a high degree, is the very low standard of housing and the wide spread of malnutrition. Reporting on the semi-official Enquiry into the Poor White question in the Union, the Official Year Book says:†

"The dwellings and domestic arrangements of the poor whites are unsanitary and defective in the generality of cases... nutrition is both unsatisfactory and unsuitable, and in some districts malaria is prevalent. The poverty and ignorance of the class, owing to insufficiency of food and wrong diet, is weakening their resistance to disease and reducing their working powers and capabilities."

In fact, wages are so low that the official Year Book openly says:‡

"The wages paid, especially to beginners, are low, and in many instances young workers who have migrated from the rural areas and are away from home cannot meet the cost of boarding and lodging under satisfactory conditions."

\*                      \*                      \*

The organization of labour encounters many difficulties in South Africa. In important parts of the Union natives are

\* L.c., 1938, p. 173.

† L.c., 1931-32, p. 273. The inquiry "The Poor White Problem in South Africa," was made by the Carnegie Foundation with help from Government Departments.

‡ L.c., 1938, p. 220.

required to carry passes. Pass-bearing natives, however, are not regarded as "employees" and therefore they are not allowed to join a registered trade union. Furthermore, illiteracy is very high among the natives and the difficulty of organizing them and educating them to become politically conscious members of any kind of labour organization is very great. Without the natives, on the other hand, no really energetic and successful labour movement can be built up in South Africa. The first organized movement of the non-European workers was the successful action by the Indian workers in 1913 against the £3 tax in Natal on all those who refused, at the end of their period of indenture, to renew the contract. Immediately after the last world war a large-scale political and economic movement began among the natives. There were many strikes in which the natives took part. In February 1920, seventy thousand native miners struck in the Rand Gold Mines for higher wages and opportunity for employment in more skilled work. They were not supported by the European workers and trade unions, and the strike was put down with the methods of violence and terror usual in South Africa. Two years later the greatest and largest strike in the history of labour in South Africa broke out, the strike of the Rand workers, the "Rand Revolt," culminating in a general strike. But just as the strike of 1920 was a native workers' strike, so the strike of 1922 was a European workers' strike—the chief issue was the brutal proposal by the mine owners of a general wage reduction and the partial replacement of European by native workers. The trade union leadership at that time was partially morally corrupted, ready for compromise, and decided finally, much too late, on calling of a general strike only when it could no longer withstand the pressure of the masses of the workers. The Government succeeded again—just as in 1920 and on so many minor occasions—in suppressing the strike. In contrast to conditions in Great Britain this strike, as so many others in South Africa, was significant also for its violence, people being killed on both sides. Since then labour began to lose its militant spirit. True, for some years there was the hopeful development of the native workers' movement, which began with the establishment of the Industrial and Commercial Workers' Union (I.C.U.) under the leadership of Clements

Kadalie, and which reached a membership of over fifty thousand in 1926-27, the culminating point of its development. True, there is the splendid development of trade unionism in some trades, especially in the clothing industries, where the Garment Workers' Union (Transvaal) organized the epic general strikes in 1931 and 1932, and where thousands of young Afrianders women fought the organized power of the state. True, there is the fine story of how the militants were elected to key positions in the South African Trade Union Congress, which originally was founded for the purpose of giving the reformist labour leadership a "mass background." And yet, the South African trade union and labour leader, E. S. Sacks, is right when he remarks:\* "The absence of a militant policy has brought trade unionism in South Africa to a state of impotency and unless the present policy is changed and changed very rapidly, complete disaster will inevitably follow."

## APPENDIX TO CHAPTER V

### LABOUR CONDITIONS IN SOUTH AFRICA

#### SOURCES AND REMARKS

The statistical material available for the observation of the development of labour conditions in South Africa is not first-class, especially as far as labour conditions of natives are concerned. Some of the Government's statistical studies are carelessly done. I have found one mistake which even a first-year student of statistics ought to have avoided (cf. the table of the cost of living on p. 67 of *Social Statistics*, S.P. 13, Pretoria, 1919).

For wages in individual industries, cf. the data given in the Official Year Book of the Union in South Africa: the wages in gold mining during the years 1915 to 1919 are interpolated with the help of data on actual earnings. Average gross money wages and the cost of living also are taken from data given in the Official Year Book. Actual earnings were calculated in the following way: from the data on the number of employed and

\* Foreword to *Class Struggles in South Africa*, by W. H. Andrews.

on total wages and salaries paid in the manufacturing industries, on the railways and in the mining industry, average wages per worker were calculated, and these average wage data per worker were combined and weighted according to the number of employed. The manufacturing year usually covers the period from July to June, the railroad year usually that from April to March, while the mining year, since 1911, is identical with the calendar year. The wages were combined in such a way that the first part of the manufacturing and mining year were taken as indicative for the calendar year. This means that if the manufacturing year begins, e.g., in July 1920 and ends in June 1921, the wage is called the wage for 1920. All the data are taken from the Official Year Book, except for the early mining data which, for the years 1902 to 1911, refer to gold mining on Witwatersrand only, and which are taken from the Annual Reports of the Government Mining Engineer, and the early railroad data (1911-12 to 1917-18), which are taken from the Annual Reports of the General Manager of Railways and Harbours. For the years before 1911 average wages and wages in the above-mentioned gold mines are identical; at that time the vast majority of non-agricultural workers were in fact employed by the mining industry.

The cost-of-living data for the early years of the century, for the years 1902 to 1904, and 1906 to 1909, were taken from the above-mentioned bulletin called Social Statistics, dealing with "Statistics of Retail and Wholesale Prices, Rents, and Cost of Living, 1895 to 1919."

## CHAPTER VI

### LABOUR CONDITIONS IN THE DOMINIONS AND IN INDIA DURING THE WAR

THE war changed conditions for labour in numerous respects. In the Dominions, the changes have not, on the whole, been radically different from those in Britain. The movement of persons into industry, and from certain light industries into heavy industry, seems to have been more pronounced in the Dominions than in Britain, but so far, at least, this appears to be merely a greater stressing of the same tendency. As in Britain, we note in the Dominions rationing and the regulation of wages and prices, though, on the whole, to a lesser degree. The restriction of the mobility of labour and of the right to strike in war-time, can also be found in the Dominions, though often less drastic than in Britain. Labour accepts these restrictions in the interests of our war against German Fascism, a system which menaces the elementary liberties which workers enjoy in Britain and the Dominions.

In contrast to the Dominions, labour conditions in India have deteriorated sharply—much more than would seem to be entailed by the demands of the war. The few liberties which Indian labour enjoyed before the war have been still further curtailed and the standard of living has declined steeply. While because of similarity in their development, it is possible to deal with conditions in all the Dominions as a whole, and with those in the Dominions and in Britain in a joint survey, the situation in India requires special treatment; labour conditions in that country are on a different plane.

For this reason we subdivide this survey into two sections: one dealing with Canada, Australia, New Zealand and South Africa, and the other with India. Unfortunately, it is, because of lack of statistical material, not possible to achieve even a rough survey of the war-time labour conditions in the Colonies; on the whole, though, their development has more resembled that of



India than of the Dominions. In some respects the level from which Colonial conditions began to move in 1939 was even lower than in India, as the next chapter, dealing with some aspects of pre-war conditions will indicate.

### 1. LABOUR CONDITIONS IN THE DOMINIONS DURING THE WAR

The war has brought about a very considerable increase in employment. Not only were the unemployed workers absorbed into industry or the armed forces, but the total number of workers now employed is considerably greater to-day than at any time before the war.

The following figures give some indication of the absorption of the unemployed in the course of the war :

#### UNEMPLOYMENT IN THE DOMINIONS, 1938-1943<sup>1</sup>

<i>Year</i>	<i>Canada</i> <i>Per cent in</i>	<i>Australia</i> <i>Trade Unions</i>	<i>New Zealand</i> <i>Number, Male*</i>	<i>South Africa</i>
1938	13.1	8.7	4,757	
1939	12.2	9.7	6,429	
1940	7.8	8.0	4,352	No data
1941	4.5	3.7	2,020	available
1942	2.2	1.6	825	
1943	0.8	1.1	403	

In the three Dominions for which we have figures unemployment has practically disappeared. The right to work having become a duty to work, practically nobody able to work is out of employment.

The mobilization of all labour forces in the fight against German Fascism becomes even more impressive when we look at the following employment figures :

#### EMPLOYMENT IN THE DOMINIONS, 1938-1943<sup>2</sup> (1929 = 100)

<i>Year</i>	<i>Canada†</i>	<i>Australia‡</i>	<i>New Zealand‡</i>	<i>South Africa§</i> <i>Europeans</i>	<i>Total</i>
1938	94	124	124	146	148
1939	96	126	131	148	149
1940	104	131	137	149	156
1941	128	145	no further	155	164
1942	146	163	data	159	170
1943	155	171	collected	157	160

<sup>1</sup> This and all following tables are based on the regularly published official statistics except when otherwise noted.

<sup>2</sup> For footnotes see p. 150.

The increase in employment was truly extraordinary. It amounted to over 50 per cent in the case of Canada; it was smallest in South Africa where the war effort in the economic field is smaller than in any other Dominion and where the treatment of the Africans would have made an all-out war effort impossible. If we study the distribution of the increase in employment over the various groups and branches of industry, we observe the following salient features:

## EMPLOYMENT IN CANADA, 1938-1943

(1929 = 100)

Year	Printing	Steam Railways	Construction	Mining	Iron and Steel Products	Chemicals
1938	96	69	81	130	80	135
1939	100	70	87	136	78	137
1940	102	73	70	140	104	168
1941	107	81	98	147	164	285
1942	107	88	101	143	233	527
1943	105	97	101	132	281	532

## EMPLOYMENT IN AUSTRALIA, 1938-1941 ||

(1929 = 100)

Year	Furniture	Clothing	Woodworking	Mining	Metals, Ma- chinery, etc.	Chemicals
1938	113	104	116	129	137	134
1939	110	105	115	135	136	141
1940	106	107	118	131	142	169
1941	107	109	126	137	170	231

The employment figures show on the whole an increase in almost all branches of industry, but those which are most directly concerned with the war effort show the most rapid rise in the number of employed. The greatest rise, if we look on whole industries and not on individual branches, has taken place in the chemical industry.

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\* Excluding persons regarded as unfit for employment; since April 1939, only the number of unemployed in receipt of benefits.

† Mining Industry, Transportation, Communication.

‡ Industry, average for twelve months ending June of year indicated.

§ Mining Industry, Transportation.

|| No further figures published.

While unemployment and employment show very considerable movements, wage rates have been relatively stable.

## WAGE RATES IN THE DOMINIONS, 1938-1943

(1938 = 100)

<i>Year</i>	<i>Canada</i>	<i>Australia</i>	<i>New Zealand</i>	<i>South Africa</i>
1938	100	100	100	100
1939	101	102	102	101
1940	104	106	105	102
1941	114	112	109	no further figures
1942	122	121	113	collected
1943	132	128	117	

The incomplete data at our disposal indicate a slow rise in wage rates during the first year of the war, followed by a modest acceleration in the following years. The rise was quicker when the country concerned was drawn more seriously into the war. In Canada a relatively sharp rise took place during 1941; a correspondingly noticeable rise of wage rates can be observed in Australia only in 1942, after the entrance of Japan into the war. In South Africa the rise has been a small one during the whole period of the war—not surprising, if we take into account this Dominion's relatively small industrial effort for the war.

Actual earnings rose more quickly than wage rates, partly because of the disappearance of short time and the lengthening of the working week, and partly because of special bonuses which are not reflected in the wage rates' index. Unfortunately we are able to study the development of earnings only in Canadian manufacturing industries (and even here, because of changes in the methods of computation and delay in census publications, the index is not of the best quality) and in New Zealand for the week nearest to March 31st, each year.

## EARNINGS IN CANADA AND NEW ZEALAND, 1938-1943

(1938 = 100)

1938	100	100
1939	102	105
1940	113	110
1941	128	118
1942	144	129
1943	160	—

Even if it is not possible strictly to compare the indices of wage rates which in the case of Canada, e.g. includes apart from manufacturing also transport, mining and other industries, and the above indices of earnings—in the case of Canada confined to the manufacturing industry only—it is obvious that earnings rose during the war considerably more than wage rates; wage rates in Canada show a rise of only about 3 per cent during the first year of the war, while earnings showed one of 10 per cent; rates showing a rise of less than a quarter up to 1942 while earnings increased by almost one half, and so on. Such differences cannot be explained by technical difficulties of comparison. Moreover, the fact that earnings rise more than rates can be confirmed by the statistics of Britain, the United States and other countries.

When we study the development of wages by industries and branches of industry, we find that the rise has been very uneven. Just as during the last war, they rose more in industries directly connected with the war; and among the most conspicuous increases—also a parallel to 1914–18—is that of agricultural workers, whose wages had slumped so sharply from 1919 to 1939.

#### WAGE RATES IN CANADA, 1938–1943

(1935–39 = 100)

Year	Building	Metals	Printing	Mining Coal	Steam Railways	Common Labour	Agriculture
1938	103	104	102	103	105	105	103
1939	103	105	102	103	105	106	108
1940	106	109	104	104	105	110	116
1941	112	119	109	117	118	122	143
1942	118	126	114	122	120	133	—
1943	129	133	110	129	132	149	—

#### HOURLY WAGE RATES IN AUSTRALIA, 1938–1943 (MEN)

(in shillings and pence; June of each year)

Year	Building	Metals	Printing	Mining	Railways	Domestic Hotels, etc.	Clothing
1938	2 4½	2 1½	2 6½	2 5	2 0½	1 10½	2 0½
1939	2 5½	2 3	2 7½	2 5½	2 1½	1 11½	2 1½
1940	2 5½	2 3½	2 7½	2 7½	2 2½	2 0½	2 1½
1941	2 7½	2 5	2 8½	2 8½	2 5	2 2	2 4
1942	2 9½	2 7½	2 10½	2 10	2 6½	2 3½	2 6½
1943	2 11½	2 8½	3 1½	3 0½	2 9	2 5½	2 8½

WAGE RATES IN NEW ZEALAND, 1938-1944 (MEN)

(1926-1930 = 100)

Year	Building	Metals	Printing	Mining	Railways	Clothing	Agriculture
1938	112	121	125	112	109	106	85
1939	113	124	125	112	112	112	86
1940	116	127	128	116	116	117	87
1941	120	130	131	120	120	120	87
1942	124	135	136	128	126	126	93
1943	126	136	137	132	130	129	99
1944*	126	136	137	134	130	130	99

The rise in wage rates was quicker in Canada and Australia than in New Zealand and South Africa. The process of differentiation between wages was more intense in Canada and Australia than in New Zealand. In fact, in New Zealand there is almost no difference in the rise of wages in the printing industry, the metal industry and agriculture: industries which are respectively little related to war production, closely related to war production, and one which usually shows a rapid rise during war time. But even in the case of New Zealand, where the expected wage differentiations are almost nil, one must remember that the number of workers in the war industries has risen more rapidly than in others, and, as wages in the war industries are always somewhat higher than in consumption goods, the war has accelerated the average rise of wage rates more than the above figures indicate.

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While the development of wage rates and earnings during the war is of considerable importance to the standard of living, the relation between wages and cost of living during war years is of even greater importance than in peace-time. The reason for the enhanced importance of this relation is that during the war the movement of prices is usually much more pronounced. If we know the development of wages between two years in peace-time, a missing cost-of-living index is usually no tragedy; during the war it is absolutely impossible to make any guess as to the development of real wages without a cost-of-living index.

The cost of living in the various Dominions developed as follows:

\* June 1944

## COST OF LIVING, 1938-1943

(1938 = 100)

<i>Year</i>	<i>Canada</i>	<i>Australia</i>	<i>New Zealand</i>	<i>South Africa</i>
1938	100	100	100	100
1939	99	103	104	100
1940	103	105	108	103
1941	109	111	112	108
1942	114	118	117	117
1943	116	128	119	124

According to these official data the cost of living has risen relatively little during the war. In contrast to Britain the rise was generally smallest in the first few years of the war, and gathered momentum later on when the official cost of living index in Britain was practically stabilized.

If we compare the rise in the cost of living with that of wage rates we arrive at the following figures:

## REAL WAGE RATES, 1938-1943

(1938 = 100)

<i>Year</i>	<i>Canada</i>	<i>Australia</i>	<i>New Zealand</i>	<i>South Africa</i>
1938	100	100	100	100
1939	102	99	98	101
1940	101	101	97	99
1941	105	101	97	—
1942	105	103	97	—
1943	114	100	98	—

If we compare the rise in the cost of living with that of earnings we get the following results:

## REAL EARNINGS, 1938-1943

(1938 = 100)

<i>Year</i>	<i>Canada</i>	<i>New Zealand</i>	<i>Year</i>	<i>Canada</i>	<i>New Zealand</i>
1938	100	100	1941	117	105
1939	103	101	1942	126	110
1940	110	102	1943	138	—

From these figures one gets the impression that real wage rates have remained roughly stable during the war, except for a moderate rise in Canada in 1943. Real earnings, however—due to war bonuses, the lengthening of the working day and working week, and the shifting of workers from lower to better paying industries—seem to have risen not inconsiderably.

This impression, however, does not correspond to reality to the extent that the official cost-of-living indices under-estimate

the rise in prices of the goods which the workers buy. These indices give too much weight to the commodities which, to a considerable extent, are under government price control, and too little to those commodities whose prices are under less stringent control or none at all, and, consequently, have risen substantially. It is the old, old story, so well known in Britain, the United States, Germany and France, and now again in the British Dominions, and, in fact, wherever capitalism reigns: the cost-of-living index is computed so as to misrepresent conditions to the advantage of those who pay wages and the disadvantage of those who have to live on them.

The differences between the actual rise in the cost of living and that officially indicated are often considerable, and usually increase with the duration of the war. In Britain, for instance, the actual cost of living may have risen since the beginning of the war by about twice the amount which the official index indicates. In South Africa the Statistical Bureau of the Trades and Labour Council found that, while the official index indicates a rise of less than 30 per cent between 1938 and the beginning of 1944, actual prices of the goods which the worker buys have risen by about 50 per cent.

If we had a really reliable index of changes in the cost of living in the various Dominions we would undoubtedly find that real wage rates have gone down considerably—by a quarter or even more, between 1938 and 1944.

But this does not mean that there was no rise in real wages at all. Of course, all those who had been unemployed now enjoy a higher real income. This also holds true, on the whole, for those who worked short-time before the war and are now working full-time. It also applies, in many cases, to those who before the war worked in an industry which paid very low rates and who have transferred to one where wages are higher. Then, there are the workers who, while they worked full-time before the war, to-day work more overtime, or a longer day, in the same industry. But the rise in real wages was not as widespread nor as steep as the above figures for real earnings would indicate; there are many workers in the Dominions whose real wages are lower now than before the war.

But even if we assume that, on the average, real wages have slightly increased in the Dominions, and that family incomes have increased somewhat more (as more members of the family are at work), this does not necessarily mean that the standard of feeding, clothing and housing has improved. Housing standards have undoubtedly deteriorated, even though wages may have risen more than rents (which is not always the case if we include furnished lodgings), because congestion in many industrial towns and districts has grown worse. The standard of clothing has, on the whole, deteriorated, even if wages have risen more than clothes prices; clothing is of poorer quality and therefore has to be replaced more quickly than before the war. Even if the price of a winter coat has risen less than has the worker's wage, and even—which is not often the case—if it gives as much warmth as one bought in 1938, it will still represent a fall in standards if it wears out more quickly. Food standards have deteriorated to the extent that the quality of food-stuffs on the market, the fat content of butter, the quality of meat, etc., has deteriorated, although many workers can consume to-day larger quantities of food, which often improves their standard as compared with pre-war years.

If we take all these factors into account, it is extremely doubtful whether there are many workers who can say that their standard of food, clothing and housing has improved during the war. On the whole, I would estimate that, on the average, it has gone down somewhat; for some groups of workers it has gone down not inconsiderably, while there are others who have enjoyed a certain improvement, as in the case of those formerly unemployed.

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This estimate does not take account of the fact that the workers' physical and nervous strain has increased through the number of additional hours worked, and through the intensification of the labour process. While everybody knows that more hours of work per day require increased consumption for the restoration of the workers' energies, nobody can give any estimates of the actual additional amounts needed. But there is no doubt that these factors further depress the real standard of living of the



workers in the Dominions, below that indicated by a simple comparison of wages and prices.

In the case of the worst-paid workers this means that they suffer even greater hardship than before the war. The worst-off workers in the Dominions are the Africans in South Africa. The South African Trades and Labour Council stated in its report to the Annual Conference in 1943:\*

"How exactly the unskilled industrial worker in the Union 'lives' is a mystery to us all, particularly the detribalized native, born and reared in our cities and towns."

The workers are usually adept in solving such "mysteries." If they are unable to do so, this indicates the depth of misery in which some workers live to-day.

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During the war, social legislation has made but little progress and a number of measures safeguarding the health of the workers have been temporarily suspended. Night work for women has been re-introduced in many cases where formerly it was forbidden. Work which formerly was regarded as dangerous for women and juveniles is, under the stress of the war, being performed by them. Child labour has a tendency to increase. The same holds true of accidents.

The workers understand that such suspensions are justified at least in part, in order to increase the war effort. They have given up these benefits, advantages, for some of which they have fought for many years, in the interest of the struggle against the direst menace to all free peoples: Fascism. But it is necessary to mention these sacrifices by the workers in order to evaluate the deterioration in living and working conditions which the war has meant for them.

In addition to the above, the workers have mostly agreed not to go on strike for the duration of the war. Sometimes this relinquishment of such an important and effective weapon has tempted individual employers to profit by the occasion by introducing worse conditions—which they would probably not have dared to do otherwise. While probably only to quite a small

\* *The Trade Union World*, June 1943.

extent, this may have contributed further to a decline in the living and working standards of wage earners in the Dominions.

This general deterioration in the workers' standards of living contrasts sharply everywhere—in Australia, New Zealand, Canada and South Africa—with a rapid rise in profits.

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While the masses' living and working standards have deteriorated and the scale of profits has increased—and thus, the purely economic status of the people has deteriorated absolutely and relatively—the workers' position politically, and as regards their own organizations, has improved.

An understanding of the need for the fight against Fascism and against vested interests at home has spread and deepened. The people's resolution has been strengthened to destroy for ever German and Japanese Fascism and imperialism, and to build a better future at home by rendering the monopolists powerless.

One expression of this advance is the general sense of a closer relationship between the peoples of the Dominions and the Soviet Union. Another aspect with which we wish to deal in a little more detail, is the improved position of the trade unions. It is true that during the last war also the official position of the trade unions improved. Trade union leaders not only began to be recognized as human beings but some even took a responsible part in the waging of the war. As that war, however, was opposed to the interests of the workers, this official recognition of the status of trade unionism was employed against the interests of the working class.

During the present war, however, the situation is fundamentally different, as the working class has every interest in the successful prosecution of the war. Therefore, if the new tasks now before the workers can be tackled on the basis of stronger working-class organizations, this will contribute materially to a sound foundation for real working-class progress in the future.

The following table gives some information on the growth of the trade unions in the Dominions.

## NUMBER OF ORGANIZED WORKERS, 1938-1943

<i>Year</i>	<i>Canada</i>	<i>Australia</i>	<i>New Zealand</i>	<i>South Africa</i>
1938	385,039	885,158	249,231	253,651
1939	358,967	915,470	254,690	264,446
1940	365,544	955,862	248,081	272,487
1941	461,681	1,075,680	231,049	—
1942	578,380	1,182,417	—	—
1943	664,282	1,205,000	214,618	—

In three Dominions the number of organized workers has increased; most of all in Canada where the rise has been almost 100 per cent.

But growth of membership alone is not everything. Membership grew not inconsiderably during the last war also. The important thing is to regard this growth as a basis for the correct kind of action. The sounder the trade union movement, the better the position for strong political action—to-day against Fascism and to-morrow in building up a better life at home—and for close co-operation of all progressive nations and forces in the world, as envisaged at the Conference of Teheran.

## 2. LABOUR CONDITIONS IN INDIA DURING THE WAR

Some deterioration of labour conditions during a modern war is unavoidable. And the workers realize that a just war demands sacrifices from all classes of society. But what has happened in India during the present war is something altogether different, not comparable with the unjustified degree of deterioration in living and working conditions in Britain or the Dominions through profiteering.

British imperialism has always treated India as an occupied country. It has done its utmost to make it almost impossible for the Indian people to become our allies in the fight against Fascism. A fatal continuity of oppressive policy characterizes the Chamberlain and Churchill governments. Under such circumstances, measures such as the severe additional restrictions of the right to strike, or the re-employment of women in the mines, appear, and are, oppressive. The imprisonment of numerous labour leaders makes it still more difficult to convince workers and peasants that this is a righteous war and in their interests.

To political oppression is added the incredible mismanagement of economic affairs in the country, with terrible consequences for the workers and peasants. The sharpest statistical expression of this mismanagement—although still inadequate—is the rise in the cost of living for the industrial workers. The official indices for various parts of India have been as follows:

#### COST OF LIVING FOR INDUSTRIAL WORKERS, 1938-1943

(1938 = 100)

Year	Bombay	Ahmedabad	Sholapur	Nagpur	Jubbulpore	Madras	Cawnpore
1938	100	100	100	100	100	—	—
1939	100	103	103	103	104	100*	100†
1940	106	111	105	115	118	107	111
1941	115	123	117	126	134	112	123
1942	148	161	157	173	186	133	181
1943	218	291	256	313	303	177	306

Here we can clearly distinguish two periods. The first shows an increase in the cost of living not fundamentally different from that in the Dominions or in Britain; this ends about the middle of 1941. In the second period, the cost of living rises to a degree which far surpasses anything experienced elsewhere during this war, except in some of the countries occupied by German Fascism. Within half a year the cost of living rose by about one-third; during 1942 it rose roughly by half, and in 1943 it was in some cases almost doubled.

How did wages develop? It would be naïve to ask, whether they increased more than, or even as much as, the cost of living; this never happens under capitalism when the cost of living shows a sharp rise. But how much did they lag behind?

Wage statistics for India have always been poor, but they have rarely been so inadequate as during the present war. Information on the development of wages is scanty and very unreliable. For Jharia the official data on wages and the cost of living are as follows:‡

\* 1939 equals 100.

† August 1939.

‡ Quoted from a study on labour conditions by S. R. Bose in *The Indian Journal of Economics*, January 1944.

## WAGES AND COST OF LIVING IN JHARIA, 1938-1942

(1938 = 100)

Year	Wages of Coal Face Workers	Cost of Living
1938	100	100
1939	104	113
1940	101	122
1941	107	144
1942	118	196

We see that in the first full year of the war real wages were about 20 per cent lower than in the last pre-war year. In 1942 real wages were little more than half of what they were before the war. No figures for more recent years are available; but as 1943 and 1944 brought new steep rises in the cost of living, it is very probable that real wages continued to decline.

In Bombay the wages of workers in the cotton mills developed as follows:\*

## EARNINGS IN BOMBAY COTTON MILLS, 1939-1943

Year	Earnings	Cost of Living
1939	100	100
1940	110	104
1941	113	115
1942	139	146
1943	193	212

Up to 1941, earnings seem to have kept up well with the official cost-of-living index. In 1942, real earnings began to decline, even if measured by the official index, and this decline continued in 1943. These workers, however, were among the most favoured ones.

Another indication of the development of wages is given in the regular statistics of "Mofussil Labour and Wages in the Province of Bombay," published annually in the *Bombay Labour Gazette*. According to these figures, wages in the province rose from 1941 to 1942 as follows:

## RISE OF WAGES IN BOMBAY PROVINCE FROM 1941-1942

Category of Labour	Rise in Percentage
Field Labour:	
Urban areas .. ..	6
Rural areas .. ..	9

\* Quoted from *Monthly Labor Review*, December 1943, and *Bombay Labour Gazette*.

RISE OF WAGES IN BOMBAY PROVINCE FROM 1941-1942—*contd.*

<i>Category of Labour</i>		<i>Rise in Percentage</i>	
Unskilled (ordinary) Labour:			
Urban areas	..	..	8
Rural areas	..	..	7
Skilled Labour:			
Urban areas	..	..	2
Rural areas	..	..	5

While wages rose from 1941 to 1942 by 2 to 9 per cent, the cost of living in the province rose by little less than about one-third. The decline of real wages, according to official figures, amounted in the single year of 1942 to about one-quarter.

In all this we have assumed that the official cost-of-living index accurately reflects the rise in prices for the workers. Actually prices have risen more—real wages have gone down farther than the above few figures indicate. In fact, one can say that, in the face of the extreme hardship existing even before the famine of 1943 as the consequence of the sharp rise in prices during 1942, the wage system has in many places partially broken down. The practice of paying the workers partly in goods, or—which amounts to the same—having them buy some of their necessities from the company at special prices—has been expanded in some provinces so as to include up to 50 per cent of the total expenditure on articles used for the computation of the cost-of-living index. The prices of these articles sold are not artificially raised, as is usually the case under the truck system, but are relatively low as compared with market prices. Otherwise, the workers would simply not be able to do any work at all; their low wages would make it impossible for them to restore their working energies sufficiently. This system of distributing foodstuffs has in the course of time become so widespread and refined—married workers are able to buy more commodities than unmarried ones, and so on—that one would not be far wrong in saying that the money wage system has broken down to an appreciable extent, payment by goods playing an increasing role.

The system of payment by goods gives the employers even greater power over the workers. The slightest irregularity in attendance is often punished by a reduction in the ration the worker can buy. Even if the employer were not allowed by law

to make any wage deductions for alleged infringements of the rules of his establishment, he could, of course, make any deductions in the rations he distributes, as this is his private affair. Thus, a worker receiving the same wage as in the preceding week, but only allowed to buy a smaller quantity of goods in the company stores, is very much worse off; for prices outside the company stores are much higher.

Thus, an "inverse" truck system is introduced, with great injury to the workers' liberty of action, even if it be true that, without this system, real wages would have declined even more. But it is also possible that, without this truck system, real wages would not have declined so much. For the ruling class would have been forced to take other measures to safeguard to some extent the working capacity of the workers.

In a number of cases wages are supposed to increase in accordance with the cost of living, or at least partly so. But this system—with which the workers of many other countries have had such unhappy experiences during the last twenty-five years—works out even worse in India, with the rapid rise of the cost of living. In fact, it would be difficult to decide which of the two systems—the sliding-scale of wages or the truck method we have just described—has the worst effects.

We must add to this calamitous picture the fact that India is probably the only country engaged in the war in which industrial unemployment has not disappeared or at least declined, and in which short-time in some instances is still common.

The average number of workers per day in factories subject to the Factories Act has developed as follows:

#### EMPLOYMENT OF INDUSTRIAL WORKERS, 1938-1943

<i>Year</i>	<i>Government and Municipal Factories</i>	<i>All Workers</i>
1938	121,640	1,737,755
1939	132,446	1,751,137
1940	169,163	1,844,428
1941	220,086	2,156,377
1942	299,600	2,280,600
1943	355,873	2,437,246

Only in 1941 did the number of workers begin to rise at a somewhat quickened pace, but even this was not maintained in the following years.

The consequences were appalling when the whole people of India, especially the poorly paid workers and peasants, were afflicted by a famine—a famine which could have been avoided had the government devoted to food production one-tenth of the attention it has given to what it calls subversive activities. The number of Indian people killed by famine through culpable negligence in 1943 was probably more than ten times that of German soldiers killed by the combined British, Dominion and American forces during the same year.

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Under such conditions—to which must be added political victimization—the organizational work of the trade unions has suffered severely.

#### TRADE UNION MEMBERS, 1938-1943

<i>Year</i>	<i>Bombay Province</i>	<i>Whole of India</i>
1938	126,455	390,112
1939	159,026	399,159
1940	191,942	511,138
1941	184,517	513,832
1942	183,364	573,520
1943	221,029	—

If we remember that in 1929 the average membership in Bombay was 191,937, the number of trade unionists in 1943 does not appear impressive. We must note that the trade unions are still relatively weak; this is further emphasized by the fact that the number of industrial workers, from which trade unionists are chiefly recruited, has increased by over one-third since 1929.

Progressives of all classes in Britain, as well as in other countries, must therefore view the situation in India with great anxiety.



## NOTES ON FOOD AND HEALTH IN THE COLONIAL EMPIRE

(BASED ON GOVERNMENT SURVEYS MADE ON THIS SUBJECT  
IN 1936, 1937, 1938)

CONDITIONS in the colonies differ in many ways from those in the dominions, and even from those in India. The Colonies are overwhelmingly populated by natives who, in many respects, lived and still live at a very low social and economic level.

There is very little information regarding the history of working and living conditions in the colonies that can be treated statistically. Looking through such sources as there are one gets the impression that, although conditions were poor in former times, they are, on the whole, worse to-day. This view appears to be accepted by the official administration. For instance, the Government of *Sierra Leone* (about 1  $\frac{3}{4}$  million inhabitants) states in a survey of health and food conditions:\*

"In the seventeenth century the people were of fine physique and lived on a mixed diet and apparently had sufficient animal food, although in no great quantity. In the early and middle eighteenth century it would seem that they still had a satisfactory diet, but towards the end of this period, 1792, the diet appeared to be wanting animal food. In the early and middle nineteenth century the diet was satisfactory, but towards the close of this period it was deteriorating through lack of husbandry in the Colony. . . . The present dietary of the people is surveyed and the evidence shows that it is ill balanced with an undue proportion of carbohydrate, resulting in malnutrition and disease. . . . School children were found to be suffering in considerable numbers from malnutrition."

On the basis of a similar survey for *Basutoland* (665,000 in-

\* *Sierra Leone, Review of Present Knowledge of Human Nutrition with remarks of Practical Measures taken by the Medical Department in the past to its improvement in Sierra Leone*, pp. 43, 44. Sessional Paper No. 5 of 1938, Freetown, 1938.

habitants), the official Government Economic Advisory Council, Committee on Nutrition in the Colonial Empire\* finds:

"According to residents of long standing, the physique and health of the Basuto to-day is not what it used to be. Malnutrition is seen in every village, dispensary, school and recruiting office. . . . The progressive deterioration in native physique is becoming a subject of considerable comment."

Even the slaves were in some respects better off than the "free" natives of to-day. In a report on conditions in *British Honduras*† (55,000 inhabitants) we read:

"This lack of proper medical attention amongst large groups of men situated in the bush is of great concern to the Medical Department, but lack of finance prevents even elementary sanitary and medical control of these labourers. Captain Henderson, in his memorandum of 1811, mentions that the slaves received medical attention as part of the scheme of employment."

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Broadly speaking, one can safely say that the whole non-white population of the British Colonial Empire is underfed or suffering from malnutrition. Malnutrition and underfeeding lead directly to numerous illnesses and at the same time lower the resistance to others. The chief causes of malnutrition are the terrible poverty of the people and to a certain extent also the low level of education. For malnutrition does not always mean—although it often does—that not enough food is consumed; it may also mean that the diet is unbalanced, that too few vitamins, for instance, are absorbed; and in the case of babies and children it often means that they receive the wrong kind of food.

If we survey nutritional conditions in general we find scarcity of some absolutely essential food-stuffs—due to unplanned production and to general poverty, which does not allow the import of those food-stuffs.

In the above-mentioned report of the Government Committee

\* First Report, Part II, *Summary of Information Regarding Nutrition in the Colonial Empire*, pp. 48 and 124. Cmd. 6051, London, 1939.

† *British Honduras, A Report of the Committee on Nutrition in the Colony of British Honduras*, p. 46. Belize, British Honduras, November 1937.

on Nutrition in the Colonial Empire the following statements are made regarding the supply of essential food-stuffs:\*

"An abundant supply of water is essential to proper nutrition. In many territories there is at present a scarcity of water supplies. Particularly is this so in some of the *South African High Commission Territories*, the northern parts of *Nigeria* and the *Gold Coast*, part of the East African territories, *Somaliland*, and *Aden Protectorate*, and parts of *Palestine*. In some cases the inhabitants may have to travel long distances from their homes to obtain water. In other cases the whole community is nomadic, wandering from water-hole to water-hole. . . . As regards milk, the most important of all single food-stuffs, only one territory, the *Virgin Islands* (6,000 inhabitants—J. K.), can boast 'an unlimited supply of fresh non-tubercular cow's milk.' In *Somaliland* there is a high consumption of camel's milk and certain African tribes are also large consumers of milk. Almost everywhere else no milk is consumed, or the amounts are so low as to be of little account from the nutritional standpoint. . . . There is also, as already stated, a general deficiency of fats. . . . Again, there is in general too low a consumption of green, leafy vegetables and fruits."

As to vitamins, the lack of which causes so much disease, the general consumption is inadequate.

The terrible state of nutrition is indicated again and again if we study the reports on conditions in the various parts of the Colonial Empire:

*Zanzibar*† (235,000 inhabitants): "There is a great deal of poverty in the town (of Zanzibar—J. K.) and many find it difficult to obtain regularly sufficient food for their needs. It is not thought that the problem of the town native varies to any extent from that of the village native."

*Barbados*‡ (188,000 inhabitants): "It is probably true that for years the agricultural population have been unable to feed their families, probably owing to their size, and to the comparatively small wages they receive." It is interesting to see what

\* First Report, Part I, *Nutrition in the Colonial Empire*, pp. 30, 31, 32; Cmd. 6050, London, 1939.

† Zanzibar Protectorate, *Nutritional Review of the Natives of Zanzibar*, p. 1, Zanzibar, 1937.

‡ Barbados, *Report of the Committee appointed to consider and report on the question of nutrition in Barbados*, p. 5, Barbados, 1937 (?).

remedy for these conditions is proposed: "We are aware that under present conditions wages cannot be increased. Limitation of families is the only remedy for this." Can one illustrate better the inability of capitalism to increase sufficiently the standard of living of the native people!

*Ceylon*\* (5.6 million inhabitants): "As malnutrition is widely prevalent in Ceylon. . . ."

*Northern Rhodesia*† (1.4 million inhabitants): "Government officials have for long been aware in a general way that over considerable parts of the Territory the nutrition of the Native population left something to be desired even at the best and at the worst there have been periods of grave under-nourishment amounting sometimes to actual famine."

*Jamaica*‡ (1.1 million inhabitants): "In spite of the numerous shortcomings in the available medical knowledge on the state of nutrition, the Committee has come to the conclusion that a very high percentage of the population may be regarded as suffering from varying degrees of sub-normal nutrition, and it is our further opinion that the nutritional state of a distressingly large proportion of the labouring classes must be classed as definitely bad."

*St. Vincent*§ (57,000 inhabitants): "The fact that malnutrition exists, especially among children, is taken for granted."

The last quotation provides us with the right expression: we can take it for granted that in every colony malnutrition exists, that in every colony under-nourishment exists, that there is no part of the Colonial Empire where large masses of the native population do not go hungry. Sometimes they are under-nourished throughout the whole year, sometimes the degree of under-nourishment varies with the season. In some colonies there are regular famine periods. The above-mentioned report on conditions in *Northern Rhodesia* mentions quite openly the

\* *Ceylon, Report on Nutrition in Ceylon, February 1937, Sessional Paper II—1937, p. 4. Colombo, 1937.*

† *Northern Rhodesia, A Report by the Committee appointed to make a Survey and present a Review of the present Position of Nutrition in Northern Rhodesia, p. 1. Lusaka, 1938.*

‡ *Jamaica, Report of the Nutrition Committee, 1936–37, p. 2. Kingston, 1937.*

§ *First Report of the Committee on Nutrition in the Colonial Empire, Part II, p. 132.*

so-called "hunger months" (p. 20) which occur every year. In *Tanganyika* (5 million inhabitants) we hear of a combination of famine years which occur irregularly and hunger months which occur regularly.\* "It is recognized that Africans are accustomed to periodic famines. . . . Serious as famines may be, the recurrent annual shortage of food before the new season's harvest is a much more serious question."

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The chief cause of the poor nourishment of the colonial people is their poverty. "There is no doubt in our minds that over a large part of the Colonial Empire one of the most important causes of malnutrition is the low standard of living of many of its inhabitants," writes the Committee on Nutrition in the Colonial Empire.† It adds: "The food-stuffs which they themselves produce, supplemented by money obtained from the sale of produce, wages or some other source, is very often insufficient to provide adequate nutrition in addition to all their other needs. . . . Malnutrition will never be cured until the peoples of the Colonial Empire command far greater resources than they do at present." Or, expressed differently: "But though exact measurement is usually impossible, we have no hesitation in saying that in almost every part of the Colonial Empire the total income of a very large proportion of the population is a long way below the minimum required for satisfactory nutrition."‡ "A long way below the minimum"—these are the actual words of the official British Government Economic Advisory Council!

Reports from various colonies support this charge.

*Cyprus*§ (370,000 inhabitants): "A considerable number of the rural population are, on account of poverty, definitely underfed."

*St. Helena*|| (4,400 inhabitants): "The flax industry cannot afford to increase the wages of its employees, and the low level of nutrition is consequent on poverty."

*Barbados*:¶ "The poor physique of the average labourer, the

\* *Tanganyika Territory, Preliminary Survey of the Position in regard to Nutrition amongst the Natives of Tanganyika Territory*, p. 4. Dar Es Salaam, 1937.

† Part I, pp. 13, 14.

§ Part II, p. 1.

|| L.c. p. 124.

‡ L.c. p. 40.

¶ L.c. p. 129.

high incidence of tuberculosis and dental caries, and the prevalence of pellagra provide sufficient evidence that diets are seriously deficient. Low wages and large families are the chief causes of this state of affairs."

*Jamaica*:\* "The nutritional state of a distressingly large proportion of the labouring classes and of children is considered by some observers to be definitely bad, the chief causes being adverse economic conditions, poverty, low wages, unemployment, illegitimacy and over-large families."

*Dominica*† (48,000 inhabitants): "Milk, butter and meat are insufficiently available and, in any case, are too expensive for the poorer labouring classes, who subsist mainly on imported cereals and salted fish. . . ."

*Gilbert and Ellice Islands*‡ (34,000 inhabitants): "Fresh milk is never obtainable, and fresh vegetables and meat are practically unknown. The general poverty and the high cost of imported foods prohibit their purchase in any quantity."

The most cautious observation upon the connection between poverty and under-nourishment or malnutrition is made by the district medical officer, Cayo, in *British Honduras*. After explaining that there are three groups of people in his district, the Europeans and Creoles, the Spaniards, and the Mayas and Caribs, he subdivides the Spaniards into two sub-groups, the rich and the poor. The poor, he says, live like the third group, the Mayas, of which he says "it is in this group that one finds malnutrition and deficiency diseases most marked."§ Now, why, he asks, do the poor Spaniards live on a level which means hunger and disease? Probably not until after long deliberation does he arrive at the conclusion that this is due, "I think, more to poverty than desire."

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As everywhere when famine breaks out, or when a blockade causes a food shortage, or when general poverty keeps the food standard below the physical requirements, the children suffer most. In the whole of the Colonial Empire healthy native children are rare, an unaccountable phenomenon, an inexplicable occurrence. There is almost no report on nutrition which does

\* L.c. p. 130.

† L.c. p. 130.

‡ L.c. p. 133.

§ *British Honduras*, l.c. p. 27.

not specially stress the fact that children are either suffering from under-nourishment or malnutrition.

*Zanzibar*:\* "It appeared to be exceptional for a child to receive any food before coming to school. Furthermore, after returning home the children often have to wait some hours before they are fed. . . . Some boys declared that their whole meal of the day was bananas." An examination of school children established the fact that under-nourishment is apparent in nearly two-thirds of the children.

*Barbados*:† "They (the school-teachers—J. K.) stated as within their knowledge that many children do not have regular meals after Wednesday in each week, and come to school hungry on Thursday and Friday; also, that the weekly wage of the parents received on Saturday is insufficient to feed the whole family for a week."

*Grenada*‡ (87,000 inhabitants): "To sum up briefly, it may be stated that infants and children suffer from both malnutrition and under nutrition."

*British Guiana*§ (330,000 inhabitants): "Government Medical Officers in institutions and in the various village and rural areas are probably unanimous as to the general 'malnutrition' prevailing amongst infants."

*Swaziland*|| (156,000 inhabitants): "Signs of malnutrition were detected in over 80 per cent of babies in a recent examination."

*Falkland Islands*¶ (2,000 inhabitants): "Further, there is a well-founded impression that the Falkland Islander as a physical type tends to be below par, and Dr. Cheverton, in 1936, showed that 42.7 per cent of children in the Government School were below normal standard as judged by the Von Pirquet height and weight ratio."

Partly the terrible state of health among the children in the

\* Zanzibar, *Nutritional Review*, p. 9, and Zanzibar Protectorate, Legislative Council, *Nutritional Problems of Zanzibar Protectorate*, Sessional Paper No. 10 of 1937, p. 1, Zanzibar, 1937.

† Barbados, l.c. p. 1.

‡ Grenada, *Nutrition*, Council Paper No. 5 of 1938, p. 1. Grenada, 1938.

§ British Guiana, *Report of the Nutrition Committee*, Third Legislative Council, Second Session, 1936-37, Sessional Paper 3/1937, C.S.O. No. 2902/35, p. 18. Georgetown, 1937.

|| *Report of the Committee on Nutrition in the Colonial Empire*, Part II, p. 124.

¶ *Ibid.*, p. 115.

Colonial Empire is due to the poverty of the parents. Partly, however, it is also due to their ignorance. "The reason for the improper feeding of nursing mothers and children in the colonies are not far to seek. In part it is due to one or other of the various aspects of poverty. . . . In part it is due, at any rate in the *West Indies*, to the high percentage of illegitimacy due to casual unions. But when due allowance has been made for these causes, there can be no doubt that sheer ignorance is one of the chief factors."\*

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How does the Colonial Administration deal with this ignorance? Is anything being done to educate at least the new generation? The fact is that only a very small percentage of the young natives attend schools—and in any case, there are very few schools to attend. But even those children who attend school are living under conditions so terrible that they can hardly profit from school attendance. The children are often too hungry to give attention to what is taught to them. In the official report by the *Barbados* administration we read: "We have reason to believe, both from our own observation and from reports made to us, that a large percentage of children fail to take advantage of the education provided for them owing to lack of proper food."† This statement enables us to put the matter in a nutshell: Ignorance is responsible for malnutrition and malnutrition is responsible for ignorance. It is a typical problem of a capitalist-administrated colony. The same "unsolvable problem" finds expression in the official report for the *Zanzibar Protectorate*.‡ "Any scheme for providing adequate nourishment for children attending school is bound to prove expensive as long as the food they get at home falls so far short of what they require for their proper development. Nevertheless, the futility of attempting to teach children who arrive foodless at school and who suffer from chronic under-nourishment is obvious, as most of the time and money spent on their attempted

\* *Committee on Nutrition in the Colonial Empire*, First Report, Part I, pp. 128, 291.

† *Barbados*, L.C. p. 1

‡ *Zanzibar Protectorate*, *Nutritional Problems*, p. 2.



education is thrown away through the children's physical weakness and resulting inability to concentrate on their school work."

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Malnutrition and under-nourishment are also the cause of the extraordinary high mortality rate among children. Furthermore, malnutrition and under-nourishment aggravate the effects of other diseases for which they are not directly responsible, and they make it easier for them to break out.

From the *Gold Coast*\* (3.6 million inhabitants) we have a report saying: "Over 70 per cent of persons in the coast town of Saltpond gave evidence of tubercle infection." Or, "The physique and health of the Bechuana (in *Bechuanaland*, 260,000 inhabitants—J. K.) are considerably impaired by imperfect dietary conditions. . . . Recently 33 per cent of recruits for work on the gold mines were rejected as unfit."† *Jamaica* reports:‡ "The average infection rate with hookworm disease (a nutritional disease—J. K.) is about 70 per cent, but this rate varies from 25–30 per cent in smaller towns to 96 per cent in many rural areas." An investigation into health conditions in two communities in Teso, *Uganda* (3.7 million inhabitants), showed that in one 32.3 per cent, and in the other 28.0 per cent of the people suffer from serious deficiency diseases.§ The official report for *British Honduras* remarks:¶ "Hookworm infestation and malaria take an enormous toll; anaemia, due to the above diseases and deficient diet, is very prevalent." Most terrible are the widespread eye diseases such as night blindness or, especially in the case of Ceylon, full blindness. The official *Ceylon* report says:¶ "Blindness is common in Ceylon, and the conclusion has been reached from a study of the histories of one hundred and forty-seven blind children that 66 per cent of them were blind as the result of keratomalacia" (a nutritional disease—J. K.).

The worst sufferers are the children. About twenty-eight

\* *Committee on Nutrition in the Colonial Empire*, First Report, Part II, p. 36.

† *Ibid.*, p. 124.

‡ *Jamaica*, l.c. p. 3.

§ *Uganda, Agricultural Survey Committee, Nutrition Report No. 1—Teso*, p. 13, Entebbe, 1937.

¶ *British Honduras*, l.c. p. 15.

¶ *Ceylon*, l.c. p. 4.

thousand deaths of infants, or 81 per cent of all infant deaths in *Ceylon*, are due chiefly either to malnutrition and under-nourishment of the infants or their mothers. About one-third of the twenty-eight thousand are due to convulsions, and the official report says:\* "Many of these children are born of anaemic, ill-nourished mothers, and nothing is apparent except that the children are weak and puny and pass into convulsions and die." A simple and true description of the short life of so many infants in *Ceylon* and other colonies. In *Swaziland* almost half of all children die within one year after their birth. "The infant mortality rate during the first year is nearly 40 per cent, half of the deaths taking place within the first two months."† *Gambia*, with 200,000 inhabitants, and *Hong Kong*, with more than 1,000,000, also show infant mortality rates of more than one-third, while in the East African colonies, with about 15 million inhabitants, except for *Uganda*, and in the colonies administered by the South African Government, the administration is cautious enough not to publish any infant mortality statistics at all.

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The effects of malnutrition and under-nourishment can also be clearly observed in the difficulty which the workers experience in going on with their work or in undertaking heavy work. In the official report for *Trinidad* (450,000 inhabitants) it is clearly stated:‡ "The existing diets are of low caloric value and render the consumer unfitted for heavy manual work over long periods. . . . The Director of Agriculture quotes from Dr. Seagar's report in which it is suggested that as a general rule our agricultural labourer is physically incapable of performing efficient work even for the habitual working week of twenty hours, and that the malnutrition from which he suffers inhibits the urge to work." Briefly and clearly expressed, it is officially

\* *Ceylon*, l.c. p 5.

† *Committee on Nutrition in the Colonial Empire*, First Report, Part II, pp. 124, 125.

‡ *Trinidad and Tobago*, Council Paper No. 104 of 1936, *Report on the Activities of the Nutrition Committee from its inception up to September 30, 1936*, p. 5, *Trinidad and Tobago*, 1936.

stated that the health of the people is so poor that they are not able to work a twenty-hour week. The Protectorate of *Zanzibar* reports: \* "The conditions under which children grow up in the Protectorate go far to explain the chronic unfitness and lack of energy of the adults." Chronic unfitness of the whole population! Such is the condition of health in most colonies.

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Under present conditions, there are only two ways for the colonial native to improve his health: either to fall severely ill and chance his luck in finding space in one of the few hospitals, or to commit a crime and be sent to prison. All reports at our disposal dealing with this problem agree that hospital cases and natives sent to prison put on weight and become healthier. The Committee on Nutrition in the Colonial Empire gives the following examples:

*Swaziland*: "That the average native dietary is capable of improvement, however, is obvious from the fact that hospital patients and prisoners on institutional diets invariably put on weight."†

*Mauritius* (411,000 inhabitants): "That degrees of under-nourishment must exist, however, is evidenced by the improvement seen in the weight and general health of prisoners when placed on a regular and adequate dietary."‡

Often the patients have first to be nourished adequately before one can treat the illness for which they have been brought to hospital.

"Their (the hospitals' and dispensaries'—J. K.) wards are often crowded with cases in which healing or recovery cannot take place until the physical balance has been restored by an adequate dietary."§

Those who know anything about colonial hospitals or dispensaries, and particularly about colonial prisons, will shudder at the idea that these are the places where health conditions are best for the natives. There is probably no more impressive fact regarding conditions in the colonies than that imprisonment is

\* Protectorate of Zanzibar, *Nutritional Problems*, p. 3.

† First Report, Part II, p. 52.

‡ *Ibid.*, p. 76.

§ *Ibid.*, Part I, p. 37.

an improvement upon free life as far as the native's standard of health is concerned.

Up to now we have studied almost exclusively the conditions of the natives or of coloured immigrants in the Colonial Empire. Let us now consider the conditions among the whites, among the Europeans, some of whom are immigrants and some officials. The answer is contained in a formula which we often read and which we quote here from the Report of the Committee on Nutrition in the Colonial Empire\* on conditions in *Aden* colony: "As the social scale descends the diet becomes quantitatively and qualitatively poorer, a fact which is reflected in the extent of deficiency disease in the poorer classes, particularly among children." The poorer the people the worse their conditions, or vice versa; the better situated the people—and the Europeans in the Colonial Empire are almost all better situated—the better their health and nourishment.

The same report says about *Ceylon*:† "Social status to a great extent governs the health and physical condition of the people." In more detail the same experience is explained in the report on conditions in the *New Hebrides Condominium*:‡ "Generally speaking, Europeans have sufficient means to afford an adequate diet, both in quantity and quality, and their standard of health is good. Well-to-do Japanese and Chinese traders are likewise well provided for and are strong, healthy and rarely sick. . . . Bush natives are almost completely out of touch with civilization. . . . Their food is deficient in animal protein and they eat no salt. The birth rate is low, the infant mortality rate high, and it is clear that in the bush only the fittest survive."

But if the standard of living of the whites is sufficient on the whole, does this not mean that at least some not unimportant part of the population in the colonies lives decently? No, because the whites do not form any considerable part of the colonial population; they are a tiny minority of no numerical consequence, and of importance only as economic and political rulers, or more often as the agents of the real rulers living in Britain.

The total population of the British Colonial Empire (de-

\* First Report, Part II, p. 55.

† *Ibid.*, p. 72.

‡ *Ibid.*, p. 110.

pendencies, protectorates, colonies, mandated territories, etc.) is as follows:\*

Africa	..	..	..	48 million
America	..	..	..	2½ million
Asia	..	..	..	14 million
Rest	..	..	..	½ million.

Of this total population the number of whites is:

Africa	..	..	..	63,000
America	..	..	..	114,000
Asia	..	..	..	656,000†
Rest	..	..	..	273,000.

Of the total colonial population of about 65,000,000 just over 1,000,000 are whites. In Africa we find only 63,000 whites among 48,000,000 inhabitants. That means that all generalizations made from health reports for natives are, with very slight exceptions in some parts of the world and with almost no exception in Africa, valid for the people as a whole. For the people as a whole are with few exceptions natives.

It is really no exaggeration to say that of the 65,000,000 people living in the British Colonial Empire, almost 65,000,000‡ live on a standard which constantly undermines their health, often means hunger, almost always means either too little food, or food of poor quality and composition. Nor have their children under present political and economic conditions any prospects of life on a higher standard.

\* Cf. for these and the following data: Robert R. Kuczynski, *Colonial Population*, London, 1937.

† 605,000 alone in Cyprus and Palestine.

‡ The majority of the white population in Cyprus and Palestine (where the majority of the white population of the Colonial Empire, including the mandated territories, live) is also suffering from malnutrition.

## CONCLUSION

SURVEYING in this and the preceding volume the conditions of the workers in Great Britain and the Empire, we have on the whole found a definite deterioration in labour conditions.

While it is not surprising that conditions generally should have deteriorated, it is remarkable that conditions in Britain—in spite of the advantages gained from Empire exploitation and the fact that certain sections of the British working class have benefited from this exploitation—have deteriorated during the last two hundred years, that is, since the beginning of the industrial revolution.

Such development in Britain is not implied in the theory of absolute deterioration, which does not maintain that the conditions of the working class in any one capitalist country must deteriorate absolutely from one trade cycle to another. For instance, in summing up the development of labour conditions in the United States since the turn of the century, I said:\*

“If we compare the last period under review, from 1897 to 1940, as a whole, with the preceding period beginning after the Civil War and ending with the nineteenth century, we can say that labour conditions among the industrial working population have probably improved slightly. . . . This slight increase in the improvement of labour conditions of industrial workers was due, on the one hand, to the fact that the ruling class was more than able to balance the advantages gained by industrial labour through the increased exploitation of the agricultural worker and farmer, and by the indirect exploitation of the Central European and Central and South American workers through the export of capital. . . . Living conditions of all workers, under the domination of American capital, taken together, have, therefore, on the average, deteriorated.”

\* Cf. Vol. II of this *Short History*, pp. 171-72.

I did not add that the development of conditions among industrial workers was an exception from the theory of absolute deterioration, as this theory does not apply to individual factories, industries, regions and even countries, but to the whole of one capitalist society. I have tried to explain this in a study of recent wage theories, as follows:\*

"By capitalist society, Marxist theory understands the economic system ruled by a body of capitalists organized in certain respects through the medium of the State. In this way we can distinguish British capitalist society, French capitalist society, American capitalist society. But this society is not identical with the State. The State is the organization which in certain respects unites the capitalists; but the rule of the capitalists extends beyond the boundaries of the State. If British capitalists receive profits from the ownership of Argentine slaughter-houses, Indian jute mills and Chinese mines, then, of course, these enterprises must be regarded as coming within the orbit of British capitalist society.

"When investigating the development of labour conditions in British capitalist society, it is therefore not sufficient to investigate labour conditions in Britain only. It is also necessary to study labour conditions in all those countries where enterprises are controlled by British capital. Labour conditions, under British capitalism, therefore, means labour conditions in Great Britain, in India, in South Africa, in Argentine railways, in Chinese mines, etc."

Although it is not possible to give a picture of the development of labour conditions of all workers employed by British capitalism, the survey of such conditions in Great Britain and the Empire covers practically all workers. For the number of people exploited by British capitalism outside Great Britain and the Empire, though not small, is of little importance as measured by the great number employed under direct British rule.

\* Cf. *New Fashions in Wage Theory*, pp. 51 ff. When I wrote this book I believed that labour conditions in Britain during the second half of the nineteenth century were not deteriorating continuously from trade cycle to trade cycle (see also my book *Labour Conditions in Western Europe, 1820-1935*, p. 63). I had not taken into account sufficiently the poor health and nutrition conditions during that time, as I have now done in the first part of this volume.

Summing up the results of our survey, we see that labour conditions in Great Britain have deteriorated absolutely from one trade cycle to another; and the same holds good of the various parts of the Empire. As labour conditions in India and the Colonial Empire were much worse than in Great Britain and the Dominions, and as the number of people subject to direct capitalist exploitation in India and the Colonial Empire—including the natives of South Africa—has risen relatively more than that in the rest of the Empire, there was an additional tendency for labour conditions to deteriorate: a relatively increasing number of workers was recruited for capitalist exploitation at the lowest possible level of living and working conditions.

Looking back at the main facts relating to standards of living and working, we find that not all have shown a tendency towards deterioration. Hours of work are shorter, for certain sections of the working class the standard of living has increased, much has been done in the field of accident prevention, the death rate has declined, the general standard of education is higher to-day than one hundred and fifty years ago, and so on. On the other hand, the intensity of work has increased, increased speed-up and the consequent increased fatigue of the worker have counterbalanced or even outweighed progress on accident prevention; if certain sections of labour are better off, the number of workers who are worse off has increased (especially through the increased hold of the capitalist system, with all its consequences, on the people of India); social insecurity has increased in spite of the institution of a limited system of social security legislation; the health of the workers, in spite of the decline in the death rate, has probably not been improved, and nervous and industrial diseases are much more widespread to-day than one hundred and fifty years ago; education has spread, but generally only on a scale required for technical progress in industry and agriculture; and so on. On the whole one can say that labour conditions have tended to deteriorate absolutely and that the abyss between the "two nations," between the rich and the poor, has been greatly widened.

In conclusion I give a rough estimate of the purchasing power of labour in the Empire as a whole:



## REAL WAGES IN THE BRITISH EMPIRE\*

*(By British Trade Cycles)**(1900 = 100)*

<i>Trade Cycles</i>	<i>Empire as a Whole</i>	<i>Britain Only</i>
1880-86	104	80
1887-95	103	91
1895-1903	105	99
1904-08	103	95
1909-14	103	93
1915-23	92	87
1924-32	106	91
1924-32	95 to 100†	—

In spite of generally increased intensity of work, and, consequently, increased need for more and better food, real wages in the Empire as a whole had a tendency to remain stable up to the world war 1914-18. During the world war real wages declined considerably. After the world war they increased very slightly, but remained below the pre-war level.

\* Real wages in Great Britain, India, Australia, New Zealand, Canada and South Africa, weighted according to the amount of wages received per worker (estimated for 1900 in shillings: Great Britain 30, India 4½, Australia 35, New Zealand 35, Canada 40, South Africa 25, per week) and according to the size of the population.

† Estimate, including the losses through unemployment additional to those suffered in previous trade cycles in those countries where it was possible to compute only gross real wages.

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